UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____________ to _______________

Commission file number: 001-37862

PHUNWARE, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**30-1205798** (I.R.S. Employer Identification Number)
1002 West Avenue, Austin, Texas (Address of principal executive offices)	**78701** (Zip Code)

Registrant's telephone number, including area code: **512-693-4199**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol(s)	Name of each exchange on which registered:
Common Stock, par value $0.0001 per share	**PHUN**	**The NASDAQ Capital Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 5, 2026, 20,462,675 shares of common stock, par value $0.0001 per share, were outstanding.

TABLE OF CONTENTS

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report (the "Report") includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements are intended to be covered by the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained in this Report, including statements regarding our future results of operations and financial position, business strategy and plans, and our objectives for future operations, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "will," "would" and similar expressions that convey uncertainty of future events or outcomes are intended to identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements contained in this Report are based on our current expectations and beliefs concerning future developments and their potential effects on us. Future developments affecting us may not be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) and other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under the heading "*Risk Factors*." Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. These risks and others described under "*Risk Factors*" may not be exhaustive.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and developments in the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this Report. In addition, even if our results of operations, financial condition and liquidity, and developments in the industry in which we operate are consistent with the forward-looking statements contained in this Report, those results or developments may not be indicative of results or developments in subsequent periods.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

Phunware, Inc.
Condensed Consolidated Balance Sheets
(In thousands, except share and per share information)

	June 30, 2026 (Unaudited)	December 31, 2025
Assets:		
Current assets:		
Cash and cash equivalents	$ 92,133	$ 100,587
Accounts receivable, net of allowance for credit losses of $113 as of June 30, 2026 and December 31, 2025	191	300
Digital currencies	61	96
Prepaid expenses and other current assets	567	19,164
Total current assets	92,952	120,147
Non-current assets:		
Property and equipment, net	8	11
Right-of-use asset, net	401	552
Other assets	158	158
Total non-current assets	567	721
Total assets	$ 93,519	$ 120,868
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 1,761	$ 1,070
Accrued expenses	289	19,905
Deferred revenue	1,075	1,386
Lease liability	358	342
PhunCoin subscription payable	1,202	1,202
Total current liabilities	4,685	23,905
Deferred revenue	229	369
Lease liability	95	277
Total noncurrent liabilities	324	646
Total liabilities	5,009	24,551
Commitments and contingencies (See Note 6)	-	-
Stockholders' equity		
Common stock, $0.0001 par value, 1,000,000,000 shares authorized; 20,459,152 shares issued and 20,449,022 shares outstanding as of June 30, 2026 and 20,198,290 shares issued and 20,188,160 shares outstanding as of December 31, 2025	2	2
Treasury stock	(502)	(502)
Additional paid-in capital	422,174	421,538
Accumulated deficit	(333,164)	(324,721)
Total stockholders' equity	88,510	96,317
Total liabilities and stockholders' equity	$ 93,519	$ 120,868

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Phunware, Inc.
Condensed Consolidated Statements of Operations
(In thousands, except share and per share information)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net revenue	$ 799	$ 455	$ 1,341	$ 1,143
Cost of revenue	248	265	406	594
Gross profit	551	190	935	549
Operating expenses:				
Sales and marketing	1,283	690	2,108	1,586
General and administrative	3,864	2,790	6,567	6,254
Research and development	1,453	970	2,331	1,783
Total operating expenses	6,600	4,450	11,006	9,623
Operating loss	(6,049)	(4,260)	(10,071)	(9,074)
Other income (expense):				
Interest expense	(9)	(5)	(18)	(14)
Interest income	818	1,094	1,675	2,213
Other expense, net	(9)	27	(29)	8
Total other income, net	800	1,116	1,628	2,207
Loss before taxes	(5,249)	(3,144)	(8,443)	(6,867)
Income tax benefit (expense)	—	—	—	—
Net loss	$ (5,249)	$ (3,144)	$ (8,443)	$ (6,867)
Net loss per share, basic and diluted	$ (0.26)	$ (0.16)	$ (0.42)	$ (0.34)
Weighted-average shares used to compute net loss per share, basic and diluted	20,431,227	20,171,639	20,309,719	20,170,639

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Phunware, Inc.
Condensed Consolidated Statements of Changes in Stockholders’ Equity
(In thousands, except share information)
(Unaudited)

	Common Stock Shares	Common Stock Amount	Treasury stock Shares	Treasury stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders’ Equity
Balances as of March 31, 2026	20,203,596	$ 2	(10,130)	$ (502)	$ 421,650	$ (327,915)	$ 93,235
Release of restricted stock	255,556	-	-	-	-	-	-
Stock-based compensation expense	-	-	-	-	524	-	524
Net loss	-	-	-	-	-	(5,249)	(5,249)
Balances as of June 30, 2026	20,459,152	$ 2	(10,130)	$ (502)	$ 422,174	$ (333,164)	$ 88,510
Balances as of December 31, 2025	20,198,290	$ 2	(10,130)	$ (502)	$ 421,538	$ (324,721)	$ 96,317
Release of restricted stock	260,862	-	-	-	-	-	-
Stock-based compensation expense	-	-	-	-	636	-	636
Net loss	-	-	-	-	-	(8,443)	(8,443)
Balances as of June 30, 2026	20,459,152	$ 2	(10,130)	$ (502)	$ 422,174	$ (333,164)	$ 88,510

	Common Stock Shares	Common Stock Amount	Treasury stock Shares	Treasury stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders’ Equity
Balances as of March 31, 2025	20,180,875	$ 2	(10,130)	$ (502)	$ 421,169	$ (317,043)	$ 103,626
Release of restricted stock	2,168	-	-	-	-	-	-
Stock-based compensation expense	-	-	-	-	118	-	118
Net loss	-	-	-	-	-	(3,144)	(3,144)
Balances as of June 30, 2025	20,183,043	$ 2	(10,130)	$ (502)	$ 421,287	$ (320,187)	$ 100,600
Balances as of December 31, 2024	20,166,665	$ 2	(10,130)	$ (502)	$ 421,003	$ (313,320)	$ 107,183
Release of restricted stock	2,168	-	-	-	-	-	-
Sales of common stock, net of issuance costs	14,210	-	-	-	80	-	80
Stock-based compensation expense	-	-	-	-	204	-	204
Net loss	-	-	-	-	-	(6,867)	(6,867)
Balances as of June 30, 2025	20,183,043	$ 2	(10,130)	$ (502)	$ 421,287	$ (320,187)	$ 100,600

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Phunware, Inc.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Operating activities		
Net loss	$ (8,443)	$ (6,867)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	636	204
Other adjustments	205	193
Changes in operating assets and liabilities:		
Accounts receivable	109	(126)
Prepaid expenses and other assets	97	(50)
Accounts payable and accrued expenses	(425)	(153)
Lease liability payments	(182)	(178)
Deferred revenue	(451)	187
Net cash used in operating activities	(8,454)	(6,790)
Investing activities		
Net cash for investing activities	-	-
Financing activities		
Proceeds from sales of common stock, net of issuance costs	-	80
Net cash provided by financing activities	-	80
Net change in cash and cash equivalents	(8,454)	(6,710)
Cash and cash equivalents at the beginning of the period	100,587	112,974
Cash and cash equivalents at the end of the period	$ 92,133	$ 106,264

Supplemental disclosure of cash flow information		
Interest paid	$ 18	$ 14
Income taxes paid	$ -	$ 21

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Phunware, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
(Unaudited)

1. The Company and Basis of Presentation

The Company

Phunware, Inc. and its subsidiaries (the “Company,” "Phunware," "we," "us" or "our") offers a fully integrated software platform that equips companies with the products, solutions and services necessary to engage, manage and monetize their mobile application portfolios and audiences. Our technology is available in a cloud-based prepackaged vertical solution application, Software Development Kit ("SDK") form for organizations developing their own application and through customized development services. We also provide advertising services that drive mobile audience building, user acquisition, application discovery, audience engagement and audience monetization. Founded in 2009, we are a Delaware corporation headquartered in Austin, Texas.

Basis of Presentation

The condensed consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States (“U.S. GAAP”) and rules and regulations of the Securities and Exchange Commission (“SEC”) and include the Company’s accounts and those of its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

The balance sheet as of December 31, 2025 was derived from our audited consolidated financial statements, but these interim condensed consolidated financial statements do not include all the annual disclosures required by U.S. GAAP. These interim condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and the notes thereto for the year ended December 31, 2025, which are referenced herein. The accompanying interim condensed consolidated financial statements as of June 30, 2026 and for the three and six months ended June 30, 2026 and 2025, are unaudited. The unaudited interim condensed consolidated financial statements have been prepared on a basis consistent with the audited financial statements, pursuant to the rules and regulations of the SEC for interim financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP and the SEC have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, the financial statements reflect all adjustments (consisting of normal recurring adjustments) considered necessary to fairly state our financial position as of June 30, 2026, the results of operations for the three and six months ended June 30, 2026 and 2025, and cash flows for the six months ended June 30, 2026 and 2025. The results for the three and six months ended June 30, 2026 are not necessarily indicative of the results to be expected for the year ending December 31, 2026 or for any future interim period.

The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

2. Summary of Significant Accounting Policies

There have been no changes in significant accounting policies as described in our Annual Report on Form 10-K for the year ended December 31, 2025, except as set forth below.

Recent Accounting Pronouncements Not Yet Adopted

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"). The amendments in the update require disclosure, in the notes to the financial statements, of specified information about certain costs and expenses. An entity is not precluded from providing additional voluntary disclosures that may provide investors with additional decision-useful information. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is evaluating the disclosure requirements related to this new standard.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270) - Narrow-Scope Improvements*. The amendments in this ASU clarify interim disclosure requirements and the applicability of Topic 270. It does not fundamentally change the nature of interim reporting or expand/reduce disclosure requirements but makes the guidance easier to navigate and apply. This ASU compiles a list of required interim disclosures from across the GAAP Codification into ASC 270, making it easier for preparers to identify what disclosures are required for interim periods. The amendments in this ASU are effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. The Company is still evaluating the impact of the adoption of this ASU.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires us to make certain estimates and assumptions that affect the reported amounts in the condensed consolidated financial statements and accompanying notes. Actual results could differ from those estimates and such differences could be material.

3. Supplemental Information

Concentrations of Credit Risk

Our financial instruments that are exposed to concentrations of credit risk consist primarily of cash, trade accounts receivable and our digital asset holdings.

Although we limit our exposure to credit loss by depositing our cash with established financial institutions that management believes have good credit ratings and represent minimal risk of loss of principal, our deposits, at times, may exceed Federal Deposit Insurance Corporation ("FDIC") insured limits. Cash and cash equivalents consist of demand deposits and highly liquid investments, such as money market funds, with original maturities of three months or less. As of June 30, 2026, the Company exceeded FDIC insurance limits in its insured bank accounts by approximately $0.2 million and held approximately $91.7 million in non-FDIC insured cash equivalent accounts. Included in cash equivalents are money market investments with original maturity dates when purchased of less than ninety days and are carried at fair value. Unrealized gains are included in interest income in the condensed consolidated statements of operations. As of December 31, 2025, we exceeded FDIC insurance limits by approximately $0.3 million in our insured bank accounts and held approximately $100.0 million non-FDIC insured cash equivalent accounts. The Company had no restricted cash as of June 30, 2026 and December 31, 2025.

There is currently no clearing house for our digital assets, including our bitcoin holdings, nor is there a central or major depository for the custody of our digital assets. There is a risk that some or all of our digital asset holdings could be lost or stolen. There can be no assurance that the exchanges or custodians will maintain adequate insurance or that such coverage will cover losses with respect to our digital asset holdings. Further, transactions denominated in digital assets are irrevocable. Stolen or incorrectly transferred digital assets may be irretrievable. As a result, any incorrectly executed transactions could adversely affect our financial condition.

Collateral is not required for accounts receivable, and we believe the carrying value approximates fair value. The following table sets forth our concentration of accounts receivable, net of specific allowances for credit losses.

	June 30, 2026	December 31, 2025
Customer A	44%	-%
Customer B	22%	2%
Customer C	19%	-%
Customer D	-%	68%
Customer E	-%	12%

Additional Disclosures

Prepaid expenses and other current assets consisted of the following:

(in thousands)	June 30, 2026	December 31, 2025
Legal settlement	$ -	$ 18,500
Other prepaid expenses	567	664
Prepaid expenses and other current assets	$ 567	$ 19,164

Accrued expenses consisted of the following:

(in thousands)	June 30, 2026	December 31, 2025
Legal settlement and related legal expenses	$ -	$ 19,775
Taxes	8	120
Other	281	10
Total accrued expenses	$ 289	$ 19,905

Refer to Note 7, "*Commitments and Contingencies*" in our Annual Report on Form 10-K filed with the SEC on March 27, 2026 for further discussion on our litigation settlement.

Loss per Common Share

Basic loss per common share is computed by dividing net loss applicable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted loss per common share is computed by giving effect to all potential shares of common stock, including those related to our stock equity plans, to the extent dilutive. For all periods presented, these shares were excluded from the calculation of diluted loss per share of common stock because their inclusion would have been anti-dilutive. As a result, diluted loss per common share is the same as basic loss per common share for all periods presented.

The following table sets forth common stock equivalents that have been excluded from the computation of dilutive weighted average shares outstanding as their inclusion would have been anti-dilutive:

	June 30,	
	2026	**2025**
Options	107,703	1,883
Restricted stock units	442,487	33,252
Total	550,190	35,135

4. Revenue

Software subscriptions and services revenue consist of software license subscriptions and application development and support services. Advertising revenue is comprised of in-app advertising. Refer to our revenue recognition policy under the subheading, *Revenue Recognition,* in Note 2, "*Summary of Significant Accounting Policies,"* in our Annual Report on Form 10-K filed with the SEC on March 27, 2026.

Disaggregation of Revenue

The following table sets forth our net revenue by category:

	Three months ended June 30,		Six months ended June 30,	
(in thousands)	**2026**	**2025**	**2026**	**2025**
Software subscriptions and services	$ 747	$ 433	$ 1,270	$ 1,068
Advertising	52	22	71	75
Net revenue	$ 799	$ 455	$ 1,341	$ 1,143

The following table sets forth our concentration of revenue sources as a percentage of total net revenue:

	Three months ended June 30,		Six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Customer F	13%	28%	16%	32%
Customer G	31%	-%	21%	-%
Customer H	6%	11%	7%	9%

We generate revenue in domestic and foreign regions and attribute net revenue to individual countries based on the location of the contracting entity. We derived 99% and 98% of our net revenue from within the United States for the three and six months ended June 30, 2026, respectively, and 98% of our net revenue from within the United States for both the three and six months ended June 30, 2025.

Deferred Revenue

Deferred revenue consists of customer billings or payments received in advance of the recognition of revenue under the arrangements with customers. We recognize deferred revenue as revenue only when revenue recognition criteria are met. During the six months ended June 30, 2026, we recognized revenue of $1.0 million that was included in our deferred revenue balance as of December 31, 2025.

Remaining Performance Obligations

Remaining performance obligations were $3.2 million as of June 30, 2026, of which we expect to recognize approximately 59% as revenue over the next 12 months and the remainder thereafter.

5. Leases

Further information regarding our office leases and accounting thereof are located in Note 2, "*Summary of Significant Accounting Policies,"* and Note 6, "*Leases,"* in our Annual Report on Form 10-K filed with the SEC on March 27, 2026.

We recognize lease expense on a straight-line basis over the lease term with variable lease expense recognized in the period in which the costs are incurred. The components of lease expense are included in general and administrative expense in our condensed consolidated statements of operations. Lease expense for the three months ended June 30, 2026 and 2025 was $0.1 million and $0.1 million, respectively. Lease expense for the six months ended June 30, 2026 and 2025 was $0.2 million and $0.2 million, respectively. The weighted-average remaining lease term for operating leases as of June 30, 2026 was 1.25 years.

Future minimum lease obligations are set forth below:

(in thousands)		**Lease Obligations**
2026 (Remainder)	$	187
2027		284
		471
Less: Portion representing interest		(18)
	$	453

6. Commitments and Contingencies

Litigation

There have been no material changes to the disclosures related to our litigation matters since the filing of our Annual Report on Form 10-K for the year ended December 31, 2025. See Note 7, "*Commitments and Contingencies*" and Note 13, "*Related Party Transactions,*" in our Annual Report on Form 10-K filed with the SEC on March 27, 2026.

7. Stockholders' Equity

Common Stock

Total common stock authorized to be issued as of June 30, 2026, was 1,000,000,000 shares, with a par value of $0.0001 per share. As of June 30, 2026 and December 31, 2025, there were 20,449,022 and 20,188,160 shares of our common stock outstanding, respectively.

On May 21, 2026, we entered into an Equity Distribution Agreement with The Benchmark Company ("Benchmark") and StoneX Financial, Inc. ("StoneX"), pursuant to which we can offer and sell, from time to time, shares of our common stock, par value $0.0001 per share, for aggregate gross proceeds of up to $15.3 million through Benchmark and StoneX as agents.

During the six months ended June 30, 2026, we did not sell any shares of our common stock under the Equity Distribution Agreement with Benchmark and StoneX.

On June 4, 2024, we entered into an Equity Distribution Agreement with Canaccord Genuity LLC ("Canaccord"), as representative of certain agents, pursuant to which we could offer and sell, from time to time, shares of our common stock, par value $0.0001 per share, for aggregate gross proceeds of up to $120 million, through the agents. Additionally, on November 1, 2024, we entered into an Amended and Restated Equity Distribution Agreement with Canaccord, as representative of certain agents, pursuant to which we increased the aggregate amount of shares of our common stock that we could sell under our at-the-market facility to an aggregate offering price of approximately $171.5 million. On February 9, 2025, the registration statement which registered the shares issuable under the Amended and Restated Equity Distribution Agreement expired and the agreement with Canaccord terminated officially via a Notice of Termination effective May 13, 2026.

During the six months ended June 30, 2025, we sold an aggregate of 14,210 shares of our common stock under our Equity Distribution Agreement with Canaccord for aggregate gross cash proceeds of $0.1 million.

8. Stock-Based Compensation

Except as set forth below, there have been no material changes to the terms of our various equity incentive plans since the filing of our Annual Report on Form 10-K for the year ended December 31, 2025. Refer to Note 10, "*Stock-Based Compensation*," in our Annual Report on Form 10-K filed with the SEC on March 27, 2026 for more information.

2026 Inducement Plan

In June 2026, our board of directors adopted the Phunware, Inc. 2026 Inducement Plan (the " 2026 Inducement Plan"). As permitted by Nasdaq Listing Rules, our stockholders were not required to approve the 2026 Inducement Plan. The 2026 Inducement Plan provides for the issuance of up to 1,500,000 shares of our common stock under awards granted to newly hired employees. An "award" is any right to receive common stock of the Company consisting of nonstatutory stock options, stock appreciation rights, restricted stock awards or restricted stock units. Shares will be delivered electronically to the holder shortly after exercise or vest date pursuant to an effective registration statement, including, without limitation, the registration statement on Form S-8 (File No. 333-297031) dated effective June 25, 2026.

Stock-Based Compensation

Compensation costs that have been included in our condensed consolidated statements of operations for all stock-based compensation arrangements are set forth below:

	Three months ended June 30,		Six months ended June 30,	
(in thousands)	**2026**	**2025**	**2026**	**2025**
Cost of revenue	16	15	$ 33	$ 30
Sales and marketing	3	9	12	17
General and administrative	500	89	578	156
Research and development	5	5	13	1
Total stock-based compensation	$ 524	$ 118	$ 636	$ 204

Restricted Stock Units

A summary of our restricted stock unit activity related to our various equity incentive plans for the six months ended June 30, 2026 is set forth below:

	Shares	**Weighted Average Grant Date Fair Value**
Outstanding as of December 31, 2025	17,732	$ 21.17
Granted	686,759	1.10
Released	(260,862)	2.28
Forfeited	(1,142)	4.47
Outstanding as of June 30, 2026	442,487	$ 1.21

In April 2026, we granted equity awards of 253,953 restricted stock units to certain non-employee board members and a former board member pursuant to the Company's Outside Director Compensation Policy with a grant date fair value of $1.85. The awards vested immediately.

In June 2026, we granted an equity award of 105,820 time-based restricted stock units to a newly hired executive with a grant date fair value of $1.89. The grant is subject to a three-year vesting schedule with one-third of the grant vesting on May 13, 2027, and the remaining amount vesting in quarterly installments thereafter, subject to the executive's continued employment with the Company.

We also granted the executive an equity award of 317,460 performance-based restricted stock units. The performance-based restricted stock units are subject to the executive's achievement of a volume weighted average price of the Company's common stock at or above $5.00 for 20 days and revenue of at least $4.5 million for a trailing 12-month period (excluding professional services revenue). The vesting may be prorated at the discretion of the Company's Board of Directors in the event the executive terminates from the Company without cause within one year. The term of the grant is one year and is subject to the executive's continued employment with the Company.

As of June 30, 2026, there was approximately $0.3 million of total unrecognized compensation cost related to restricted stock grants. These unrecognized compensation costs are expected to be recognized over an estimated weighted-average period of approximately 2.24 years.

Stock Options

A summary of our stock option activity related to our various equity incentive plans for the six months ended June 30, 2026 is set forth below:

	Number of Shares		Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)		Aggregate Intrinsic Value
Outstanding as of December 31, 2025	1,883	$	98.39		$	-
Granted	105,820		5.00			
Exercised	-		-			
Forfeited	-		-			
Outstanding as of June 30, 2026	107,703		6.63	9.89	$	-
Exercisable as of June 30, 2026	1,883	$	98.39	4.06	$	-

In June 2026, we granted an equity award in the form of a non-statutory stock option to purchase 105,820 shares of Company common stock to a newly hired executive with an exercise price of $5.00 per share. The grant is subject to a four-year vesting schedule with one-fourth of the grant vesting on May 13, 2027, and the remaining amount vesting in quarterly installments thereafter, subject to the executive’s continued employment with the Company.

As of June 30, 2026, there was approximately $0.2 million of total unrecognized compensation cost related to stock option grants. These unrecognized compensation costs are expected to be recognized over an estimated weighted-average period of approximately 3.87 years.

Additional Disclosures

Our equity incentive plans had 2,950,883 and 1,232,912 shares of common stock reserved for future issuances as of June 30, 2026 and December 31, 2025, respectively. In addition, the shares of common stock reserved for issuance under the 2018 Equity Incentive Plan (the "2018 Plan") will also include any shares of common stock subject to stock options granted under the 2009 Equity Incentive Plan (the "2009 Plan"), that expire or otherwise terminate without having been exercised in full and shares of common stock issued pursuant to awards granted under the 2009 Plan that are forfeited. As of June 30, 2026, the maximum number of shares of common stock that may be added to the 2018 Plan pursuant to the foregoing is 883.

Furthermore, there were 79,543 and 63,167 shares of common stock available for sale and reserved for issuance under our 2018 Employee Stock Purchase Plan as of June 30, 2026 and December 31, 2025, respectively.

9. Segment Reporting

Business segments are components of an enterprise about which discrete financial information is available that is evaluated regularly by the chief operating decision maker (the "CODM") to assess operating performance and allocate resources. Our CODM is our chief executive officer. Our operations are organized by management into operating segments by line of business. The CODM evaluates performance and allocates resources based on the segment operating income (loss) of the operating segments. The Company does not allocate its corporate expense function across its operating segments. We have two reportable segments: (i) software subscriptions and services and (ii) advertising. Certain reclassifications have been made to prior years' figures for compensation and consulting and professional services to conform to current year presentation. No segment-level asset information has been disclosed as our CODM does not review asset information by segment.

Reportable segment information is set forth below:

(in thousands)	Software Subscriptions & Services	Advertising	Corporate	Three months ended June 30, 2026
Net revenue	$ 747	$ 52	$ -	$ 799
Cost of revenue	235	13	-	248
Gross profit	512	39	-	551
Operating expenses:				
Compensation	728	81	532	1,341
Consulting and professional fees	1,133	-	2,327	3,460
Facilities and insurance	9	1	393	403
Stock-based compensation	6	2	500	508
Other segment expenses[1]	514	2	372	888
Total operating expenses	2,390	86	4,124	6,600
Operating loss	(1,878)	(47)	(4,124)	(6,049)
Other income	-	-	800	800
Loss before taxes	$ (1,878)	$ (47)	$ (3,324)	$ (5,249)

(in thousands)	Software Subscriptions & Services	Advertising	Corporate	Six months ended June 30, 2026
Net revenue	$ 1,270	$ 71	$ -	$ 1,341
Cost of revenue	381	25	-	406
Gross profit	889	46	-	935
Operating expenses:				
Compensation	1,483	164	920	2,567
Consulting and professional fees	1,504	1	4,220	5,725
Facilities and insurance	16	2	797	815
Stock-based compensation	21	4	578	603
Other segment expenses[1]	711	3	582	1,296
Total operating expenses	3,735	174	7,097	11,006
Operating loss	(2,846)	(128)	(7,097)	(10,071)
Other income	-	-	1,628	1,628
Loss before taxes	$ (2,846)	$ (128)	$ (5,469)	$ (8,443)

(in thousands)	Software Subscriptions & Services	Advertising	Corporate	Three months ended June 30, 2025
Net revenue	$ 433	$ 22	$ -	$ 455
Cost of revenue	243	22	-	265
Gross profit	190	-	-	190
Operating expenses:				
Compensation	685	118	558	1,361
Consulting and professional fees	322	-	1,645	1,967
Facilities and insurance	12	1	403	416
Stock-based compensation	10	4	89	103
Other segment expenses(1)	127	11	465	603
Total operating expenses	1,156	134	3,160	4,450
Operating loss	(966)	(134)	(3,160)	(4,260)
Other income	-	-	1,116	1,116
Loss before taxes	$ (966)	$ (134)	$ (2,044)	$ (3,144)

(in thousands)	Software Subscriptions & Services	Advertising	Corporate	Six months ended June 30, 2025
Net revenue	$ 1,068	$ 75	$ -	$ 1,143
Cost of revenue	545	49	-	594
Gross profit	523	26	-	549
Operating expenses:				
Compensation	1,483	239	990	2,712
Consulting and professional fees	601	-	4,093	4,694
Facilities and insurance	32	2	926	960
Stock-based compensation	10	8	156	174
Other segment expenses(1)	235	17	831	1,083
Total operating expenses	2,361	266	6,996	9,623
Operating loss	(1,838)	(240)	(6,996)	(9,074)
Other income	-	-	2,207	2,207
Loss before taxes	$ (1,838)	$ (240)	$ (4,789)	$ (6,867)

(1)Other segment expenses represent marketing, information technology related expenses, travel and other general operating expenses.

10. Subsequent Events

The Company has evaluated subsequent events for the period from June 30, 2026 through the date the condensed consolidated financial statements were issued and determined that no events require recognition or disclosure.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

References in this section to "we," "us," "our," or "the Company" refer to Phunware, Inc. References to "management" or "management team" refer to our officers and directors.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and the related notes thereto presented in "*Part I – Item 1. Financial Statements.*" As discussed in the section titled "*Special Note Regarding Forward-Looking Statements,"* the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including, but not limited to, those discussed in the section titled "*Risk Factors*" and elsewhere in this Report.

Certain figures, such as interest rates and other percentages, included in this section have been rounded for ease of presentation. Percentage figures included in this section have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this section may vary slightly from those obtained by performing the same calculations using the figures in our condensed consolidated financial statements or in the associated text. Certain other amounts that appear in this section may similarly not sum due to rounding.

Overview

We offer a fully integrated software platform that equips companies with the products, solutions and services necessary to engage, manage and monetize their mobile application portfolios and audiences. Our mobile software subscriptions and services offerings include a combination of application frameworks, SDKs, cloud-based services and related capabilities designed to support digital engagement, operational workflows and user experiences and include the following:

- A cloud-based application framework vertical solution license for iOS and Android-based mobile experiences, enabling customers to deploy, manage and extend functionality across mobile applications and connected environments. We have focused a majority of our recent sales efforts on addressing the luxury guest experience for hospitality and the patient experience for healthcare. However, our product and service capabilities also serve the employee experience in the workplace, the shopper experience for retail, the fan experience for sports, the traveler experience for aviation, the luxury resident experience for real estate and the student experience for education.
- We offer SDK licenses designed to be deployed individually or in combination and may be integrated into customer applications or existing digital systems, which include:
  - Analytics (SDK that provides data related to application use and engagement);
  - Content Management (SDK that allows application administrators to create and manage app content in a cloud-based portal);
  - Alerts, Notifications & Messaging (SDK that enables brands to send messages to app users through the app); and
  - Location-Based Services (modules that include mapping, navigation, wayfinding, workflow, asset management and policy enforcement).
- Cloud-based intelligence and automation features, including AI-enabled interfaces and analytics capabilities, designed to support contextual user interactions, information discovery and service-related workflows within customer applications.
- Development services for customers who wish to have a customized application experience; and
- In-app advertising services for mobile audience building, user acquisition, application discovery, audience engagement and monetization.

In October 2024, we announced the commencement of our investments into artificial intelligence (AI). We use, and plan to use, AI in various contexts within our internal systems and our software platform, products and services offerings.

The AI technology we have initially used in the context of our platform to date is generative AI. We actively utilize generative AI tools to streamline internal processes and workflows for mobile app creation and development. We presently utilize generative AI in product features which are available for purchase by customers. We also plan to use predictive and agentic AI tools in the future to further enhance these processes and to create additional platforms, products and services involving predictive and agentic AI and related small language models. By developing and applying these technologies, we expect to improve the quality and personalization of our mobile apps for customers and drastically reduce the time required to adapt our mobile app development framework to meet specific customer needs. We anticipate that these efficiencies will enable the Company to reduce mobile app development costs significantly and make high-quality mobile apps more accessible and affordable for all sizes of businesses and enterprises, specifically in the hospitality, healthcare and other large property-related verticals.

We recently developed an AI Concierge generative AI product feature with functionalities to serve as a human-like interface in our mobile apps for hospitality customers to enhance customer engagement with guests and other visitors and provide customers with innovative opportunities to further monetize their products and services with those users. We are selling this AI product feature to current and existing customers. We also designed and demonstrated, at a major hospitality conference, an agentic AI hospitality-related product feature with functionalities to interact with and perform tasks for customer guests and are further developing this type of AI product feature and related functionalities as part of our platform. For instance, we anticipate this type of AI product feature will be able to provide information about and book reservations for guests at restaurants located on customer properties and for other events. Our agentic AI product feature is still in the development and testing phase.

We continue to invest in AI, including generative, predictive and agentic AI, and in the integration of AI capabilities into our platforms, products and services. We will continue to evaluate our investments in AI and align investment and resource allocation in the platforms, products and markets where we believe we can generate the greatest benefits for customers and opportunities for shareholder returns. Our AI related investments are in the research and development phase. Refer to "*Risk Factors*", located in Part I, Item 1A of our Annual Report on Form 10-K filed with the SEC on March 27, 2026.

We intend to continue investing in AI and innovating and evolving our platforms, products and services for long-term growth and enterprise value. We have also invested and expect to continue investing in the expansion of our ability to market, sell and provide our current and future products and services to customers globally. We plan to continue investing in the development and improvement of new platforms, products and services to address customers' needs. We currently do not expect to be profitable in the near future.

Key Business Metrics

Our management regularly monitors certain financial measures to track the progress of our business against internal goals and targets. We believe that the most important of these measures include bookings, backlog and deferred revenue.

Bookings, Backlog and Deferred Revenue. We define these measures and purpose as follows:

•Bookings represents actual contracted value for a period, whether invoiced or not, to be invoiced and recognized as revenue over time. We believe that bookings reflects the current demand for our products and services and provides us insight into how well our sales and marketing efforts are performing.

•Backlog represents future amounts to be invoiced under our active contracts. At any point in the contract term, there can be amounts that we have not yet been contractually able to invoice. Until such time as these amounts are invoiced, they are not recorded in revenue, deferred revenue, accounts receivable or elsewhere in our condensed consolidated financial statements and are considered by us to be backlog. We expect backlog to fluctuate up or down from period to period for several reasons, including the timing and duration of customer contracts, varying billing cycles and the timing and duration of customer renewals. We reasonably expect approximately 71% of our backlog as of June 30, 2026 will be invoiced during the subsequent 12-month period.

•Deferred revenue consists of amounts that have been invoiced but have not yet been recognized as revenues as of the end of a reporting period. Together, the sum of deferred revenue and backlog represents the total billed and unbilled contract value yet to be recognized in revenues and provides visibility into future revenue streams.

The following table sets forth our software and subscriptions bookings:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2026**	**2025**	**2026**	**2025**
Net bookings	$ 229	$ 568	$ 321	$ 927

The follow table sets forth our backlog and deferred revenue:

(in thousands)	**June 30, 2026**	**December 31, 2025**
Backlog	$ 1,783	$ 2,275
Deferred revenue	1,304	1,755
Total backlog and deferred revenue	$ 3,087	$ 4,030

Non-GAAP Financial Measures

Adjusted Gross Profit, Adjusted Gross Margin and Adjusted EBITDA

We report our financial results in accordance with accounting principles generally accepted in the United States of America ("GAAP"). We also use certain non-GAAP financial measures that fall within the meaning of Securities and Exchange Commission Regulation G and Regulation S-K Item 10(e), which may provide users of the financial information with additional meaningful comparison to prior period results. Our non-GAAP financial measures include adjusted gross profit (derived from the GAAP measure of gross profit), adjusted gross margin (derived from the GAAP measure of gross margin) and adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") (derived from the GAAP measure of net loss) (our "non-GAAP financial measures"). Management uses these measures (i) to compare operating performance on a consistent basis, (ii) to calculate incentive compensation for our employees, (iii) for planning purposes including the preparation of our internal annual operating budget and (iv) to evaluate the performance and effectiveness of operational strategies.

Our non-GAAP financial measures should be considered in addition to, not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. They are not measurements of our financial performance under GAAP and should not be considered as alternatives to revenue or net loss, as applicable, or any other performance measures derived in accordance with GAAP and may not be comparable to other similarly titled measures of other businesses. Our non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under GAAP. Some of these limitations include:

- Non-cash compensation is and will remain a key element of our overall long-term incentive compensation package, although we exclude it as an expense when evaluating our ongoing operating performance for a particular period;
- Our non-GAAP financial measures do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of ongoing operations; and
- Other companies in our industry may calculate our non-GAAP financial measures differently than we do, limiting their usefulness as comparative measures.

We compensate for these limitations to our non-GAAP financial measures by relying primarily on our GAAP results and using our non-GAAP financial measures only for supplemental purposes. Our non-GAAP financial measures include adjustments for items that may not occur in future periods. However, we believe these adjustments are appropriate because the amounts recognized can vary significantly from period to period, do not directly relate to the ongoing operations of our business and complicate comparisons of our internal operating results and operating results of other peer companies over time. For example, it is useful to exclude non-cash, stock-based compensation expenses because the amount of such expenses in any specific period may not directly correlate to the underlying performance of our business operations and these expenses can vary significantly across periods due to timing of new stock-based awards. We may also exclude certain discrete, unusual, one-time, or non-cash costs in order to facilitate a more useful period-over-period comparison of our financial performance. Each of the normal recurring adjustments and other adjustments described in this paragraph help management with a measure of our operating performance over time by removing items that are not related to day-to-day operations or are non-cash expenses.

The following tables set forth the most comparable GAAP financial measures from which our non-GAAP financial measures are derived as well as the non-GAAP financial measures we monitor.

GAAP Financial Measures	**Three months ended June 30,**		**Six months ended June 30,**	
(in thousands, except percentages)	**2026**	**2025**	**2026**	**2025**
Gross profit	$ 551	$ 190	$ 935	$ 549
Gross margin	69.0%	41.8%	69.7%	48.0%
Net loss	$ (5,249)	$ (3,144)	$ (8,443)	$ (6,867)

Non-GAAP Financial Measures	**Three Months Ended June 30,**		**Six Months Ended June 30,**	
(in thousands, except percentages)	**2026**	**2025**	**2026**	**2025**
Adjusted gross profit [(1)]	$ 567	$ 205	$ 968	$ 579
Adjusted gross margin [(1)]	71.0%	45.1%	72.2%	50.7%
Adjusted EBITDA [(2)]	$ (5,532)	$ (4,111)	$ (9,460)	$ (8,854)

(1) Adjusted gross profit and adjusted gross margin are non-GAAP financial measures. We believe that adjusted gross profit and adjusted gross margin provide supplemental information with respect to gross profit and gross margin regarding ongoing performance. We define adjusted gross profit as net revenue less cost of revenue, adjusted to exclude one-time revenue adjustments and stock-based compensation. We define adjusted gross margin as adjusted gross profit as a percentage of net revenue.

(2) Adjusted EBITDA is a non-GAAP financial measure. We believe adjusted EBITDA provides helpful information with respect to operating performance as viewed by management, including a view of our business that is not dependent on (i) the impact of our capitalization structure and (ii) items that are not part of day-to-day operations. We define adjusted EBITDA as net loss plus or (minus) (i) depreciation, (ii) interest expense, (iii) (interest income), (iv) income tax expense, and further adjusted for (v) stock-based compensation expense, (vi) non-cash impairment and valuation adjustments.

Reconciliation of Non-GAAP Financial Measures

The following tables set forth a reconciliation of the most directly comparable GAAP financial measure to each of the non-GAAP financial measures discussed above.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except percentages)	2026	2025	2026	2025
Gross profit	$ 551	$ 190	$ 935	$ 549
Add back: Stock-based compensation	16	15	33	30
Adjusted gross profit	$ 567	$ 205	$ 968	$ 579
Adjusted gross margin	71.0%	45.1%	72.2%	50.7%

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2026	2025	2026	2025
Net loss	$ (5,249)	$ (3,144)	$ (8,443)	$ (6,867)
Add back: Depreciation	2	4	4	8
Add back: Interest expense	9	5	18	14
Less: Interest income	(818)	(1,094)	(1,675)	(2,213)
EBITDA	(6,056)	(4,229)	(10,096)	(9,058)
Add back: Stock-based compensation	524	118	636	204
Adjusted EBITDA	$ (5,532)	$ (4,111)	$ (9,460)	$ (8,854)

Components of Results of Operations

Revenue and Gross Profit

There are a number of factors that impact the revenue and margin profile of the services and technology offerings we provide, including, but not limited to, solution and technology complexity, technical expertise requiring the combination of products and types of services provided, as well as other elements that may be specific to a particular client solution.

Software Subscriptions and Services

Software subscription revenue is derived from software license fees, which are comprised of subscription fees from customers licensing our vertical solution application framework and SDKs, that include access to our platform. Services revenue is derived from development services around designing and building new applications or enhancing existing applications. Support revenue is comprised of support and maintenance fees of customer applications, software updates and technical support for application development services for a support term.

Software subscriptions and services gross profit is equal to software subscriptions and services revenue less the cost of personnel and related costs for our support and professional services employees, external consultants, stock-based compensation and allocated overhead. Costs associated with our development and project management teams are generally recognized as incurred. Costs directly attributable to the development or support of applications relating to software subscription customers are included in cost of sales, whereas costs related to the ongoing development and maintenance of our software platform are expensed in research and development. As a result, software subscriptions and services gross profit may fluctuate from period to period.

Advertising Revenue

We also generate revenue by charging advertisers to deliver advertisements (ads) to users of mobile connected devices. We generally sell our ads by cost per thousand impressions and recognize revenue when the ad loads onto the device of a user.

Advertising gross profit is equal to advertising revenue less cost of revenue associated with advertising traffic we pay to our suppliers and amount of traffic which we can purchase from those suppliers. As a result, our advertising gross profit may fluctuate from period to period due to variable costs of advertising traffic.

Gross Margin

Gross margin measures gross profit as a percentage of revenue. Gross margin is generally impacted by the same factors that affect changes in the mix of revenue.

Operating Expenses

Our operating expenses include sales and marketing expenses, general and administrative expenses and research and development expenses. Personnel costs are the most significant component of operating expenses and consist of salaries, benefits, bonuses, stock-based compensation and, in sales and marketing expense, commissions.

Sales and Marketing Expense. Sales and marketing expense is comprised of compensation, commission expense, variable incentive pay and benefits related to sales personnel, travel expenses, other employee related costs such as stock-based compensation and expenses related to marketing programs and promotional activities. Our sales and marketing expense may increase in absolute dollars as we increase our sales and marketing organizations as we plan to increase revenue but may fluctuate as a percentage of our total revenue from period to period.

General and Administrative Expense. General and administrative expense is comprised of compensation and benefits of administrative personnel, including variable incentive pay and stock-based compensation, bad debt expenses and other administrative costs such as facilities expenses, professional fees and travel expenses. We expect to incur additional general and administrative expenses as a result of operating as a public company, including expenses related to compliance with the rules and regulations of the SEC and listing standards of Nasdaq, additional insurance expenses, investor relations activities and other administrative and professional services. We also expect to increase the size of our general and administrative function to support the growth of our business. As a result, our general and administrative expenses may increase in absolute dollars but may fluctuate as a percentage of our total revenue from period to period.

Research and Development Expense. Research and development expenses consist primarily of employee compensation costs, software platform and AI development and maintenance costs and overhead allocation. We believe that continued investment in our platform is important for our growth. As a result, our research and development expenses may increase in absolute dollars as our business grows but may fluctuate as a percentage of revenue from period to period.

Results of Operations

Net Revenue

(in thousands, except percentages)	Three Months Ended June 30, 2026	2025	Change Amount	%
Revenue				
Software subscriptions and services	$ 747	$ 433	$ 314	72.5%
Advertising	52	22	30	136.4%
Net revenue	$ 799	$ 455	$ 344	75.6%
Software subscriptions and services as a percentage of total revenue	93.5%	95.2%		
Advertising as a percentage of total revenue	6.5%	4.8%		

(in thousands, except percentages)	Six Months Ended June 30, 2026	2025	Change Amount	%
Revenue				
Software subscriptions and services	$ 1,270	$ 1,068	$ 202	18.9%
Advertising	71	75	(4)	(5.3%)
Net revenue	$ 1,341	$ 1,143	$ 198	17.3%
Software subscriptions and services as a percentage of total revenue	94.7%	93.4%		
Advertising as a percentage of total revenue	5.3%	6.6%		

Net revenue increased by approximately $0.3 million, or 75.6%, for the three months ended June 30, 2026, compared to the corresponding period in 2025, as a result of a customer-initiated early contract termination.

Net revenue increased by approximately $0.2 million, or 17.3%, for the six months ended June 30, 2026, compared to the corresponding period in 2025, as a result of a customer-initiated early contract termination, which was partially offset by a decrease in development services revenue.

Cost of Revenue, Gross Profit and Gross Margin

(in thousands, except percentages)	Three Months Ended June 30, 2026	2025	Change Amount	%
Cost of Revenue				
Software subscriptions and services	$ 235	$ 243	$ (8)	(3.3%)
Advertising	13	22	(9)	(40.9%)
Total cost of revenue	$ 248	$ 265	$ (17)	(6.4%)
Gross Profit				
Software subscriptions and services	$ 512	$ 190	$ 322	169.5%
Advertising	39	-	39	0.0%
Total gross profit	$ 551	$ 190	$ 361	190.0%
Gross Margin				
Software subscriptions and services	68.5%	43.9%		
Advertising	75.0%	0.0%		
Total gross margin	69.0%	41.8%		

(in thousands, except percentages)	Six Months Ended June 30, 2026	2025	Change Amount	%
Cost of Revenue				
Software subscriptions and services	$ 381	$ 545	$ (164)	(30.1%)
Advertising	25	49	(24)	(49.0%)
Total cost of revenue	$ 406	$ 594	$ (188)	(31.6%)
Gross Profit				
Software subscriptions and services	$ 889	$ 523	$ 366	70.0%
Advertising	46	26	20	76.9%
Total gross profit	$ 935	$ 549	$ 386	70.3%
Gross Margin				
Software subscriptions and services	70.0%	49.0%		
Advertising	64.8%	34.7%		
Total gross margin	69.7%	48.0%		

Total gross profit increased approximately $0.4 million, or 190.0%, for the three months ended June 30, 2026, and $0.4 million, or 70.3%, for the six months ended June 30, 2026, compared to the corresponding periods in 2025 as a result of the customer contract termination mentioned above.

Operating Expenses

(in thousands, except percentages)	Three Months Ended June 30, 2026	2025	Change Amount	%
Operating expenses				
Sales and marketing	$ 1,283	$ 690	$ 593	85.9%
General and administrative	3,864	2,790	1,074	38.5%
Research and development	1,453	970	483	49.8%
Total operating expenses	$ 6,600	$ 4,450	$ 2,150	48.3%

(in thousands, except percentages)	Six Months Ended June 30, 2026	2025	Change Amount	%
Operating expenses				
Sales and marketing	$ 2,108	$ 1,586	$ 522	32.9%
General and administrative	6,567	6,254	313	5.0%
Research and development	2,331	1,783	548	30.7%
Total operating expenses	$ 11,006	$ 9,623	$ 1,383	14.4%

Sales and Marketing

Sales and marketing expense increased approximately $0.6 million, or 85.9% for the three months ended June 30, 2026, compared to the corresponding period in 2025, due to a $0.4 million increase in marketing spend, mainly for conferences and $0.4 million increase for marketing related consultants. These increases are partially offset by a $0.2 million decrease in full-time headcount.

Sales and marketing expense increased approximately $0.5 million, or 32.9%, for the six months ended June 30, 2026, compared to the corresponding period in 2025, due to a $0.3 million increase in marketing spend, mainly for conferences and $0.5 million increase for marketing related consultants. These increases were partially offset by a $0.3 million decrease in full-time headcount.

General and Administrative

General and administrative expense increased approximately $1.1 million, or 38.5%, for the three months ended June 30, 2026, compared to the corresponding period in 2025, primarily due to a $0.7 million increase in legal expenses related to our ongoing litigation matter and $0.4 million in stock-based compensation.

General and administrative expense increased approximately $0.3 million, or 5.0%, for the six months ended June 30, 2026, compared to the corresponding period in 2025, primarily due to $0.4 million in stock-based compensation and $0.2 million in salary and travel-related expenses. These increases were partially offset by $0.3 million decrease in other operating expenses related to business taxes and board-related expenses.

Research and Development

Research and development expense increased approximately $0.5 million, or 49.8%, for the three months ended June 30, 2026, compared to the corresponding period in 2025, primarily due to increase in AI product, data and technology headcount and consultants for the Company's 2.0 strategy.

Research and development expense increased approximately $0.5 million, or 30.7%, for the six months ended June 30, 2026, compared to the corresponding period in 2025, primarily due to increase in AI product, data and technology headcount and consultants for the Company's 2.0 strategy.

Other Income (Expense)

	Three Months Ended June 30,	
(in thousands)	**2026**	**2025**
Other income (expense)		
Interest expense	$ (9)	$ (5)
Interest income	818	1,094
Other income, net	(9)	27
Total other income, net	$ 800	$ 1,116

	Six Months Ended June 30,	
(in thousands)	**2026**	**2025**
Other income (expense)		
Interest expense	$ (18)	$ (14)
Interest income	1,675	2,213
Other income, net	(29)	8
Total other income, net	$ 1,628	$ 2,207

Other income (expense) consisted primarily of interest income earned from cash equivalents for all periods presented.

Liquidity and Capital Resources

As of June 30, 2026, we held total cash of approximately $92.1 million, all of which was held in the United States. We have a history of operating losses and negative operating cash flows. As we continue to focus on growing our revenues, we expect these trends to continue into the foreseeable future.

Although we expect to generate operating losses and negative operating cash flows in the future, management believes it has sufficient cash on hand for at least one year following the filing date of this Quarterly Report on Form 10-Q.

Our future capital requirements will depend on many factors, including our pace of growth, subscription renewal activity, the timing and extent of spending to support development efforts, additional investments in AI technology platforms, systems and infrastructure, the expansion of sales and marketing activities and the market acceptance of our products and services. We believe that it is likely we will in the future enter into arrangements to acquire or invest in additional companies and assets, technologies, intellectual property rights, and build and develop additional platforms and systems for our products and services and create new products and services. We may be required to seek additional equity or debt financings. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us, or at all. If we are unable to raise additional capital when desired and/or on acceptable terms, our business, operating results and financial condition could be adversely affected.

The accompanying consolidated financial statements have been prepared assuming we will continue to operate as a going concern, which contemplates the realization of assets and settlement of liabilities in the ordinary course of business.

The following table summarizes our cash flows for the periods presented:

	Six Months Ended June 30,	
(in thousands)	**2026**	**2025**
Consolidated statement of cash flows		
Net cash used in operating activities	$ (8,454)	$ (6,790)
Net cash for investing activities	$ -	$ -
Net cash provided by financing activities	$ -	$ 80

Operating Activities

The primary source of cash from operating activities is receipts from sales of our various product and service offerings to customers. The primary uses of cash from operating activities are payments to employees for compensation and related expenses, publishers and other vendors for the purchase of digital media inventory and related costs, sales and marketing expenses and general operating expenses.

We utilized $8.5 million of cash from operating activities during the six months ended June 30, 2026, resulting in a net loss of $8.4 million. The net loss included non-cash charges of $0.8 million, primarily consisting of stock-based compensation. In addition, certain changes in our operating assets and liabilities resulted in a cash decrease of $0.9 million, mainly related to the payment of accrued expenses, partially offset by an increase in accounts payable, and a decrease in deferred revenue.

We utilized $6.8 million of cash from operating activities during the six months ended June 30, 2025, resulting in a net loss of $6.9 million. The net loss included non-cash charges of $0.4 million, primarily consisting of stock-based compensation. In addition, certain changes in our operating assets and liabilities resulted in a cash increase of $0.3 million.

Investing Activities

We did not have any investing activities during the six months ended June 30, 2026 and 2025.

Financing Activities

We did not have any financing activities during the six months ended June 30, 2026. Our financing activities during six months ended June 30, 2025 consisted of sales of our common stock. Refer to the notes to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for information on the Company's financing activities.

Contractual Obligations

Information set forth in Note 5, "*Leases,"* in the notes to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q is incorporated herein by reference.

Off-Balance Sheet Arrangements

Through June 30, 2026, we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of SEC Regulation S-K, such as the use of unconsolidated subsidiaries, structured finance, special purpose entities or variable interest entities.

Indemnification Agreements

In the ordinary course of business, we provide indemnifications of varying scope and terms to customers, vendors, lessors, business partners and other parties with respect to certain matters, including, but not limited to, losses arising out of breach of such agreements, solutions to be provided by the Company or from intellectual property infringement claims made by third parties. In addition, we have entered into indemnification agreements with directors and certain current and former officers and employees that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of, or are related to, their status or service as directors, officers or employees.

Recent Accounting Pronouncements

Refer to Note 2, "*Summary of Significant Accounting Policies*," in the notes to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for analysis of recent accounting pronouncements applicable to our business.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues generated and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Except for the changes described in Note 2, "*Summary of Significant Accounting Policies*," in the notes to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, there have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 27, 2026.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Certifying Officers (as defined below), or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Vice President of Accounting and Financial Reporting (together, the "Certifying Officers"), we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on the foregoing, our Certifying Officers concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this Report.

Ongoing Remediation of Previously Identified Material Weakness

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

As previously disclosed, in 2023, as a result of cost cutting measures and headcount turnover in our accounting function, management identified a material weakness in internal control over financial reporting as business process controls across the Company's financial reporting processes were not effectively designed and implemented due to a lack of segregation of duties between preparer and reviewer. During 2024, the Company implemented additional review controls to ensure proper segregation of duties in our financial reporting processes. Then, the Company's Chief Financial Officer departed the Company on November 30, 2024, which resulted in a delay in the completion of the implementation of our remediation plan for this material weakness. However, the Company recently engaged with an independent contractor who is a senior-level finance and accounting professional and hired as a full-time employee a finance professional to perform specific functions and serve as a reviewer as appropriate to remediate the material weakness and otherwise implement a framework for appropriate segregation of duties as noted above. We began our remediation plan during the second quarter of 2026.

Management believes that the remediation measures described above, when successfully implemented, will strengthen our internal control over financial reporting and remediate the material weakness we have identified. However, the material weakness in our internal control over financial reporting will not be considered fully remediated until the new controls are fully implemented, in operation for a sufficient period of time, tested and concluded by management to be designed and operating effectively.

Management will update current processes and/or provide sufficient resources to properly mitigate this material weakness. Management is committed to continuous improvement of our internal control over financial reporting and will continue to diligently review our financial reporting controls and procedures. However, we cannot provide any guarantee that these remediation efforts will be successful or that our internal control over financial reporting will be effective as a result of these efforts.

Changes in Internal Control over Financial Reporting

Except as set forth above, there were no changes in our internal control over financial reporting identified in conjunction with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls

Our management, including our Certifying Officers, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

On July 13, 2025, the Company and Rahul Mewawalla, then a Class I Director and Chairperson of the Board, executed an Executive Chairman and Chief AI Architect Agreement (the "EC Agreement"). Among other provisions, the EC Agreement provided for (i) cash compensation in the amount of $50,000 per month, payable per the Company's regular payroll cycle for a term of six months, (ii) continued cash and equity compensation that is due and payable in accordance with the Company's compensation policy for its board members and (iii) nomination of Mr. Mewawalla as a member of the Board at the Company's 2026 annual meeting of stockholders. On August 4, 2025, the Board formed a special committee consisting of its other two disinterested independent directors to consider the circumstances under which the EC Agreement was entered into. The special committee concluded that there was a proper basis to rescind the EC Agreement. The Company then rescinded the EC Agreement and notified Mr. Mewawalla in writing of such rescission on August 7, 2025. The Company did not and has not paid any compensation under the EC Agreement.

On October 1, 2025, Mr. Mewawalla filed a demand for arbitration and statements of claims against the Company with the American Arbitration Association (Case No. 01-25-004-9738) alleging, among other things, that the Company breached the EC Agreement, the Company's rescission of the EC Agreement was not justified, unpaid compensation, retaliation/wrongful termination, defamation and violations of other Washington state employment-related laws. Mr. Mewawalla seeks relief of amounts allegedly due, double damages where applicable, interest, fees, cost and punitive damages where applicable. He further sought interim and injunctive relief, including a declaration that the EC Agreement remains in force and continued service and compliance with the EC Agreement. The Company responded to Mr. Mewawalla's initial arbitration demand claims for injunctive relief on November 6, 2025. On December 15, 2025, the arbitrator issued an order denying his motion for interim and injunctive relief. Mr. Mewawalla filed an amended statement of claim against the Company on January 16, 2026, in which he alleges, among other things, amended claims and various specific categories and amounts of damages which collectively exceed $34 million. The Company filed its response to the amended statement of claims on February 6, 2026. The arbitration proceeding is currently in the discovery phase, and the hearing is currently scheduled to occur in September 2026. The Company believes its rescission of the EC Agreement was proper, in accordance with applicable law and rejects all of Mr. Mewawalla's allegations, claims and asserted damages amounts. The Company is vigorously disputing and defending against all allegations, claims and asserted damages amounts made by Mr. Mewawalla in this arbitration.

The information set forth under the "*Litigation*" subheading in Note 6, "*Commitments and Contingencies*" in the notes to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q is incorporated herein by reference.

Item 1A. Risk Factors

Important risk factors that could affect our operations and financial performance, or that could cause results or events to differ from current expectations, are described in Part I, Item 1A, "*Risk Factors*" of our Annual Report on Form 10-K filed with the SEC on March 27, 2026 for the year ended December 31, 2025 and the information set forth below or contained elsewhere in this Report. The risks and uncertainties described within our Form 10-K for the year ended December 31, 2025 and set forth below are not the only risks we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business or results of operations.

Activist investors could cause us to incur substantial costs, divert management's attention and cause a disruption to or uncertainty about the strategic direction of our business.

Publicly-traded companies have increasingly become subject to activist investor campaigns. We have received communications by an activist investor urging us to take certain corporate actions. Activist investors may propose changes to our board composition, executive compensation or other governance policies. Responding to actions of an activist investor may be a significant distraction for our management team and could require us to expend significant time and resources, including legal, insurance, administrative and proxy solicitation expenses and associated costs. In addition, perceived uncertainties as to our future direction that can arise from potential changes sought by activist investors may lead to the perception of a change in the strategic direction of the business, instability or lack of continuity which may be exploited by our competitors, may cause concern to our current or potential customers or other partners, may result in the loss of potential business opportunities and may make it more difficult to attract and retain qualified personnel and business partners. Any of these conditions could materially affect our business, results of operations, cash flows and financial condition or cause significant fluctuations in our stock price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Unless otherwise noted, the exhibits listed on the accompanying Exhibit Index are filed or incorporated by reference (as stated therein) as part of this Quarterly Report on Form 10-Q.

EXHIBIT INDEX

Exhibit No.	Description
3.1	Certificate of Incorporation of the Registrant (Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K (File No. 001-37862), filed with the SEC on January 2, 2019).
3.2	Amended and Restated Bylaws of the Registrant (Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K (File No. 001-37862), filed with the SEC on November 4, 2022).
3.3	Certificate of Amendment to the Certificate of Incorporation filed February 23, 2024 (Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K (File No. 001-37862) filed with the SEC on February 28, 2024.)
4.1	Description of Securities (Incorporated by reference to Exhibit 4.15 of the Registrant's Form 10-K (File No. 001-37862), filed with the SEC on March 31, 2021).
10.1	Confidential Employment Agreement by and between Phunware, Inc. and Jeremy Krol dated July 14, 2025 (Incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K (File No. 001-37862), filed with the SEC on July 17, 2025).
10.2	Amendment No. 1 to Confidential Employment Agreement by and between Phunware, Inc. and Jeremy Krol dated January 14, 2026 (Incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K/A (File No. 001-37862), filed with the SEC on January 21, 2026).
10.3	Amendment No. 2 to Confidential Employment Agreement by and between Phunware, Inc. and Jeremy Krol dated April 14, 2026 (Incorporated by reference to the Registrant's Form 8-K/A (File No. 001-37862), filed with the SEC on April 20, 2026.
10.4	Confidential Executive Employment Agreement by and between Phunware, Inc. and Dmitry Kroshka dated May 12, 2026 (Incorporated by reference to the Registrant's Form 8-K (File No. 001-37862), filed with the SEC on May 18, 2026).
10.5	Side Letter to the Confidential Executive Employment Agreement by and between Phunware, Inc. and Dmitry Kroshka dated May 12, 2026 (Incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K (File No. 001-37862), filed with the SEC on May 18, 2026).
10.6^#	Master Software and Services Agreement by and between Phunware, Inc. and Build Something, LLC (d/b/a Build Something Product Group / BSPG), dated May 13, 2026.
10.7^#	Amended and Restated Statement of Work No. 1 by and between Phunware, Inc. and Build Something, LLC (d/b/a Build Something Product Group / BSPG), dated August 10, 2026.
10.8	Phunware, Inc. 2026 Inducement Plan (Incorporated by reference to Exhibit 99.1 of the Registrant's Form S-8 (File No. 001-37862), filed with the SEC on June 25, 2026).
31.1*	Certification of the Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a)
31.2*	Certification of the Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a)
32.1*(1)	Certification of the Principal Executive Officer and Principal Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded with the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith
^ Certain attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K.
\# Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

(1) The certifications attached as Exhibit 32.1 accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

August 10, 2026	**Phunware, Inc.**	
	By:	*/s/ Dmitry Kroshka*
	Name:	Dmitry Kroshka
	Title:	Chief Executive Officer (Principal Executive Officer)
August 10, 2026	By:	*/s/ J. Brendhan Botkin*
	Name:	J. Brendhan Botkin
	Title:	Vice President of Accounting and Financial Reporting (Principal Accounting and Financial Officer)

Certain identified information marked with "[***]" has been omitted from this document because it is both (i) the type that the registrant customarily and actually treats as private or confidential and (ii) not material.

MASTER SOFTWARE AND SERVICES AGREEMENT

THIS MASTER SOFTWARE AND SERVICES AGREEMENT (this "**Agreement**") dated as of May 13, 2026 ("**Effective Date**") by and between **Build Something LLC (d/b/a Build Something Product Group / BSPG)**, a Delaware limited liability company ("**Developer**") with its principal business office located at 1400 Arbor Lane, Alamo, California 94507 and **Phunware, Inc**., a Delaware corporation ("**Phunware**") with its principal business office located at 1002 West Avenue, Austin, Texas 78701. Developer and Phunware are from time to time referred to herein individually as a "**Party**" and collectively as the "**Parties**".

RECITALS

WHEREAS, Developer is engaged in the business of providing software development and related services and work product;

WHEREAS, the Parties entered into that certain Services Agreement, with an effective date of April 20, 2026 (the "**Prior Services Agreement**"), pursuant to which Developer agreed to perform a three week embedded discovery and definition sprint designed to translate Phunware's product vision into clear use cases, defined scope and a related execution plan for Phunware's new internal software platform restructuring and related new products (collectively, the "**Project**");

WHEREAS, pursuant to the Prior Services Agreement and in connection with the Project, (a) Developer performed the services referenced therein to and for Phunware (the "**Prior SA Services**"), (b) Developer prepared and provided the deliverables referenced therein to Phunware (the "**Prior SA Deliverables**"), (c) Phunware paid the total fee referenced in Section 6 therein to Developer, (d) the Parties agreed therein that all deliverables, work product and materials created by Developer thereunder (the "**Prior SA Work Product**") shall upon payment of the total fee referenced therein be the sole and exclusive property of Phunware, and (e) Phunware retained ownership of its pre-existing intellectual property, and Developer retained ownership of all of its pre-existing intellectual property and the right to use general knowledge, skills, experience, methodologies and frameworks developed or refined during the Prior Services Agreement engagement, provided such use does not disclose Phunware confidential information;

WHEREAS, in connection with the Prior Services Agreement, the Parties entered into that certain 2026 Mutual Nondisclosure and Confidentiality Agreement (the "**Confidentiality Agreement**") and such Confidentiality Agreement remains in full force and effect; and

WHEREAS, Phunware desires to retain Developer, and Developer desires to be retained to create, perform and provide the software development, solutions, software engineering, software deployment and other technology and intellectual property to and for Phunware and to perform and provide other services to Phunware as provided herein.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

Section 1.Definitions. Capitalized terms used in this Agreement (including the preamble hereof and the recitals hereto) or any Statement of Work which are defined herein or therein shall have the meanings specified herein or therein, as applicable. In addition, the following terms used in this Agreement or any Statement of Work shall have the following meanings:

(a)"**Affiliate**" means any other person or entity who or which directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such person or entity and "control" (including the terms "controlled by" and "under common control with") means the direct or indirect power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or ownership of more than 10% of the voting securities of an entity.

(b)"**Aggregate Software**" means Software provided by Developer as a Deliverable in two or more phases that are designed to interoperate with each other.

(c)"**Approved Subcontractors**" means each person or entity who or which is an independent contractor of and party to a services or similar agreement with Developer to provide software development and related services to and for Developer, and is designated as an Approved Subcontractor in any Statement of Work.

(d)"**Background Technology**" means all software, data, know-how, ideas, methodologies, specifications, and other technology in which Developer owns any Intellectual Property Rights created before the Effective Date or created independent of its work for Phunware under this Agreement.

(e)"**Deliverables**" means all Software, Documentation, Specifications, and other output of the Services provided hereunder, as well as the combination of same with Background Technology, that Developer delivers or otherwise provides or makes available to Phunware under this Agreement and otherwise in connection with any Services, including any and all items specifically identified as Deliverables in any Statement of Work.

(f)"**Documentation**" means all user manuals, operating manuals, handbooks, installation guides and other instructions, specifications, developer notes, architecture documents, code commit files, development logs, reports, written recommendations, documentation and materials in any form or media that describe any component, requirement, feature or other aspect of or relating to any Software or any functionalities, operation or use of any Software, and other artifacts necessary for the operation and use of any Software created and provided by Developer to or for Phunware.

(g)"**Intellectual Property Rights**" means all past, present, and future rights of the following intellectual property rights and associated rights, whether registered or unregistered, which may exist or be created under the laws of any jurisdiction in the world: (a) rights associated with works of authorship, including exclusive exploitation rights, copyrights, design rights, (including all rights pursuant to copyright treaties or conventions, the rights to make applications for and obtain copyright registrations therefor and recordations thereof); (b) and moral rights and rights in waivers thereof; (c) trademark, trade name, service name, trade dress, and logos, designs, service mark rights and similar means of identification and similar rights, including all goodwill associated with the foregoing including the right to make applications for obtain trademark registrations; (d) trade secret rights and other rights in know-how and confidential or proprietary information (including any techniques, specifications, designs, processes, practical knowledge and skills, or other similar information); (e) all rights to new and useful inventions, discoveries, technology, art, designs, improvements and other patentable eligible subject matter, know-how, all patents and applications therefor and rights of priority, (including utility and design patents) and all reissues, extensions, renewals, divisionals, reexaminations, continuation, and continuations-in-part and any counterparts worldwide claiming priority therefrom, and all rights in and to any of the foregoing; (f) data rights; (g) all other intellectual property rights or proprietary rights; and (h) all past, present and future claims and causes of action arising out of or related to infringement, misappropriation or other violation of any of the foregoing and the rights to damages and injunctive remedies existing as of the Effective Date.

(h)"**Law**" means any statute, law, regulation, order, rule, code, treaty, ordinance, constitution, common law, judgment, decree or other legal requirement of any governmental agency or authority or any court, arbitrator or tribunal.

(i)"**Milestone**" means any event, obligation or other action described in the Project Implementation Plan or any Statement of Work that is required to be completed or performed by a specified Milestone Date as specified therein.

(j)"**Milestone Date**" means any date by or on which any Milestone is required to be completed or performed as specified in the Project Implementation Plan or any Statement of Work.

(k)"**Phunware Data**" means all information, data, data aggregations, databases, data warehouses, or other collections of data, whether structured or unstructured, all content, documents or other materials, in any form or medium, that is submitted, posted, transmitted or otherwise provided by, on behalf of, to or for Phunware, Phunware's customers, or any end user or other person or entity by, through, or in the use of or access to any Software or other Work Product.

(l)"**Phunware Materials**" means all materials and information, including documents, data, know-how, ideas, methodologies, specifications, software, content and technology that are provided or made available to Developer by or on behalf of

Phunware in connection with this Agreement or any Statement of Work, whether or not owned by Phunware, any third party or in the public domain or qualify for or are protected by any Intellectual Property Rights.

(m)"**Project Implementation Plan**" means the plan and schedule included as a part of any Statement of Work for the Project, setting forth events and sequences relating to the performance of Services therefor.

(n)"**Software**" means the computer program(s), including programming tools, scripts, and routines, which Developer creates, develops or otherwise provides under this Agreement, as described more fully in each Statement of Work, including all updates, upgrades, new versions, new releases, enhancements, improvements, and other modifications made or provided by Developer.

(o)"**Source Code**" means the human readable source code of the Software to which it relates, in the programming language in which such Software was written, together with all related flow charts, code, and technical documentation, including a description of the procedure for generating object code, all of a level sufficient to enable a programmer reasonably fluent in such programming language to understand, build, operate, support, maintain, and develop modifications, upgrades, updates, adaptations, enhancements, new versions, and other derivative works and improvements of, and to develop computer programs compatible with, the Software.

(p)"**Specifications**" means any and all technical, design or functional Specifications for, and descriptions of, the capabilities of any software, applications, technology, Intellectual Property or Services, including those set forth in any Statement of Work and those contained in any Documentation, descriptive documents and/or marketing materials.

(q)"**Statement of Work**" (or "**SOW**") means a statement of work that (a) provides that it is subject to the terms of this Agreement, and (b) is duly executed by an authorized signatory of each Party.

(r)"**Work Product**" means all Software, applications, and technology, including all updates, upgrades, improvements, enhancements and customizations thereto and thereof, all Specifications, Documentation, and other Deliverables, all additions to or derivatives of Phunware Data, and other documents and materials relating to any of the foregoing that Developer creates, develops, completes, delivers and/or provides to or for Phunware under this Agreement and/or any Statement of Work, together with all ideas, concepts, processes and methodologies developed in connection therewith whether or not embodied therein. For the avoidance of doubt, "Work Product" does not include Background Technology.

Section 2.Acknowledgments and Agreements. The Parties acknowledge and agree that (a) Phunware is the sole and exclusive owner of all Prior SA Work Product and Work Product (as defined in this Agreement) shall include and be a reference to all Prior SA Work Product; (b) all

Prior SA Deliverables have been accepted by Phunware and Deliverables (as defined in this Agreement) shall include and be a reference to all Prior SA Deliverables.

Section 3.Services.

(a)Developer Engagement. The Parties hereby agree that Developer will create, build, develop, provide and deliver software solutions, software engineering, software development and software deployment and perform and provide related services and other services (including advisory services) to Phunware in accordance with each Statement of Work (defined below) entered into hereunder (collectively, the "**Services**").

(b)Software Development. Developer shall design, develop, create, test, deliver, install, configure, integrate, customize, and otherwise provide and make fully operational Software as described in each Statement of Work on a timely and professional basis in accordance with all terms, conditions, and Specifications set forth in this Agreement and such Statement of Work. Developer shall ensure all Software complies with the Specifications therefor. Developer shall provide all Software to Phunware in object code, executable code, and Source Code form.

(c)Performance of Services. Developer shall perform and provide all Services, Work Product and Deliverables hereunder in a timely, professional and workmanlike manner and in accordance with the terms, conditions and Specifications set forth in this Agreement and each Statement of Work.

(d)Documentation.

(i)Prior to or concurrently with the delivery by Developer of any Software hereunder, or by such earlier date as may be specified in the Project Implementation Plan for any Software, Developer shall provide Phunware with complete and accurate Documentation for such Software.

(ii)If Developer provides Aggregated Software, Developer shall also provide Phunware with appropriate integration Documentation for the aggregated Software upon its delivery.

(iii)All Documentation shall include all such information as may be reasonably necessary for the effective installation, testing, use, support, and maintenance of the applicable Software, including for the effective configuration, integration, and systems administration of the Software and performance of the functions set forth in the Specifications for such Software.

(iv)Developer shall provide all Documentation in both hard copy and electronic form, and any other formats and media as are set forth in the applicable Statement of Work or as Phunware may otherwise request in writing.

(v)Other than Documentation for Approved Third Party Materials and Approved Open Source Components, no Documentation shall contain or include any Third Party Materials. To the extent any Documentation contains or includes Third Party Materials, Developer shall obtain, procure and provide, at its sole cost and expense, all rights, licenses, consents, approvals, and authorizations for Phunware with respect to such Approved Third Party Materials.

(vi)Developer shall prepare, maintain and provide Documentation to Phunware promptly upon written request from time to time which is in Phunware's determination sufficient to enable Phunware to identify and describe in reasonable detail the human authored portions of any Deliverable and any other Work Product requested by Phunware and the human involvement therein and thereof and to distinguish them from any portions of any Deliverable and any other Work Product which is created, generated, developed, enhanced, completed, delivered and/or installed directly or indirectly using generative or any other artificial intelligence ("**AI**") tools (all such Documentation, "**AI Documentation**"). All AI Documentation shall include, at a minimum, (i) a detailed description in reasonable detail of any and all AI tools used directly or indirectly in creating, generating, developing, enhancing, completing, delivering and/or installing any Deliverables and any other Work Product, and providing or performing any other Services and related human involvement therein and thereof; (ii) the scope and purpose of each such AI tool and use; and (iii) a good faith identification of each component of any Deliverable and any other Work Product (including Source Code) generated by AI tools. Developer shall reasonably cooperate with Phunware and otherwise promptly take all other actions reasonably requested by Phunware (including execution of any documents, assignments, instruments and certificates reasonably requested by Phunware), at Phunware's cost and expense, to apply for, secure, evidence, obtain, own, license, register, assign, transfer, disclose, examine or enforce, or otherwise in connection with, any copyright and other Intellectual Property and Intellectual Property Rights relating to any of the Deliverables and any other Work Product.

(e)Third Party Materials; Open Source Components.

(i)Developer shall not include in any Software, Work Product or Deliverables, and the operation of all Software and Intellectual Property provided or developed in or with or incorporated into any Software, Work Product or Deliverables shall not require, any third party software, technology, Intellectual Property, data, content, documents or other materials or information in any form or media ("**Third Party Materials**") or any software component that is subject to any open source copyright license agreement ("**Open Source Components**"), other than (A) any Third Party Materials that have been approved by Phunware to be included in or with or for use in connection with any Software, any Work Product or any

Deliverables and which are specified in any Statement of Work or SOW Amendment thereto and are assigned or licensed by such third party to Phunware or by such third party to Developer and then by Developer to Phunware, pursuant to an assignment, licensing or other agreement which is reasonably acceptable to Phunware ("**Approved Third Party Materials**") and (B) any Open Source Components which have been approved by Phunware to be included or with or incorporated into or for use in connection with any Work Product or any Deliverables and which are specified in any Statement of Work or SOW Amendment thereto and for which the relevant open source licenses are included in such Statement of Work or such SOW Amendment ("**Approved Open Source Components**").

(ii)Except as provided otherwise in any Statement of Work, Developer shall secure and obtain for Phunware, at Developer's sole cost and expense, all rights, assignments, licenses, consents, approvals and authorizations necessary for Phunware to access and use, and to own, license and/or transfer (as applicable), perpetually and throughout the universe, all Approved Third Party Materials as included in or with or incorporated into or used in connection with any Software, Work Product or Deliverables.

(iii)Any use of the Approved Open Source Components by Phunware will be governed by and subject to the terms and conditions of the applicable open source license agreements. Developer shall provide Phunware with a complete, machine-readable copy of the Source Code for Approved Open Source Components in accordance with the terms of the open source license(s) therefor.

(f)Developer Parties; Subcontractors.

(i)Developer shall not engage any subcontractors to perform any part of the Services under this Agreement without the prior written consent of Phunware, which may be granted or withheld in Phunware's sole discretion.

(ii)Developer is solely responsible for all Developer employees and independent contractors of Developer ("**Developer Parties**") and for the payment of their compensation, including withholding of income taxes, and the payment and withholding of social security and other payroll taxes, unemployment insurance, workers' compensation insurance, and disability benefits. Developer shall:

(A)ensure that each Developer Party has the legal right to work in the United States;

(B)require each Developer Party fee execute a written agreement, in form and substance reasonably acceptable to Phunware, that subjects such Developer Party to confidentiality provisions that are at least as protective with respect to Phunware's information (including all Confidential Information) as those contained in this Agreement or the Confidentiality Agreement and Intellectual Property provisions that grant and assign Phunware all rights, title and interest in and to the Work Product which are consistent with the provisions of this Agreement, and provide Phunware with a copy of each such agreement;

(C)conduct background checks on each Developer Party in accordance with applicable Law. Provider shall ensure that no Person who has been convicted of a felony or subject to any legal action or proceeding involving theft, fraud, bribery, or the violation of any Law provides any Services or has access to any Confidential Information of Phunware;

(D)upon the reasonable written request of Phunware, promptly replace any Developer Party specified by Phunware; and

(E)comply with, and ensure that each Developer Party complies with all applicable Laws, and all rules and policies of Phunware that are communicated to Developer, including security procedures concerning systems and data and remote access thereto and restriction of access by Phunware to its systems.

(iii)Upon the execution of each Statement of Work, Developer shall designate and maintain a Developer employee who is acceptable to Phunware to serve as Developer's manager for the project described in such Statement of Work (each, a "**Developer Project Manager**"). Each Developer Project Manager shall:

(A)have the requisite authority and necessary skill, experience, and qualifications to perform in such capacity;

(B)be responsible for overall management and supervision of Developer's performance of Services under such Statement of Work;

(C)be Phunware's primary point of contact for communications with respect to such Statement of Work; and

(D)be acceptable to Phunware.

(iv)Developer shall maintain the same Developer Project Manager for any Statement of Work throughout the term of such Statement of Work, unless:

(A)Phunware reasonably requests in writing the removal of the Developer Project Manager;

(B)Phunware consents in writing to the removal of the Developer Project Manager reasonably requested by Developer in writing; or

(C)the Developer Project Manager ceases to be employed by Developer, whether by resignation, involuntary termination, or otherwise.

(v)Phunware acknowledges that in the ordinary course of business Developer's development team consists of independent contractors reasonably approved in writing by Phunware from time to time (the "**Developer Team**").

(vi)Developer shall not, without the prior written consent of Phunware, engage any third party to perform, provide or develop any of the Services, Work Product or Deliverables, other than the Developer Team.

(vii)Developer's engagement of any third party for any such purpose shall not relieve Developer of its representations, warranties, or obligations under this Agreement or any Statement of Work, and Developer shall remain fully responsible and liable for provision and performance of the Services and the acts or omissions of each such third party and any related fees and expenses payable to, by or on behalf of any such third party in connection with this Agreement or any Statement of Work.

Section 4.Statements of Work.

(a)Developer shall perform and provide Services, Work Product and Deliverables pursuant to the Statement of Work and any one or more additional Statements of Work entered into by Developer and Phunware. No Statement of Work shall be effective unless signed by both Parties. The term of each Statement of Work shall be as set forth therein. Unless a Statement of Work expressly provides otherwise, Phunware shall have the right to terminate any Statement of Work as provided herein.

(b)Each Statement of Work shall be in form and substance acceptable to the Parties and shall include the following:

(i)names and contact information for the Phunware project manager, Developer Project Manager, and the Developer Parties under such Statement of Work;

(ii)a detailed description of the Services to be provided thereunder;

(iii)a detailed description of the Software, Work Product and Deliverables to be developed or otherwise provided under such Statement of Work, including all related Documentation and Specifications;

(iv)a project implementation plan, including all Milestones and corresponding Milestone Dates, and related responsibilities of the Parties thereunder;

(v)applicable fees payable under such Statement of Work, the manner in which such fees shall be calculated, the due dates for payment of such fees, and any Milestones which need to be satisfied as conditions for any such payment and such other information as the Parties deem necessary;

(vi)a detailed description of all Background Technology, Approved Third Party Materials, Approved Open Source Components and Approved Subcontractors (if any) in each case accompanied by such related documents as may be required by this Agreement with respect thereto; and

(vii)a detailed description of any resources of Phunware and Developer access to Phunware (including employees and independent contractors of Phunware) required for performance of the Services under such Statement of Work.

(c)Statement of Work No. 1 has been entered into by the Parties and is attached hereto as **Exhibit A**.

(d)Promptly following receipt of Phunware's request for any additional Software development or other Services, the Parties will in good faith prepare a proposed additional Statement of Work therefor and containing information of the type and nature specified in **Exhibit A** attached hereto. Upon agreement by the Parties on the terms of such proposal, all such terms shall be incorporated in an additional Statement of Work and each Party shall execute such additional Statement of Work. Each fully executed Statement of Work shall be attached as an Exhibit to, and by this reference incorporated with and into and made a part of, this Agreement.

(e)Phunware may at any time and from time to time request in writing amendments, modifications, supplements and waivers to or for any Statement of Work, including changes to the Services, Work Product, Deliverables, Milestones, Milestone Dates or any Specifications (each, an "**SOW Amendment Request**"). Upon Phunware's submission of an SOW Amendment Request, the Parties shall evaluate and implement all requested changes as follows:

(i)As soon as reasonably practicable, and in any case within five (5) business days following receipt of an SOW Amendment Request, Developer shall provide Phunware with a written proposal for implementing the requested changes ("**SOW Proposal**"), setting forth:

(A)a written description of the proposed changes;

(B)an amended project implementation plan reflecting: (x) the schedule for commencing and completing any additional or modified Services, Work Product, Deliverables, Milestones, Milestone Dates or Specifications; and (y) the effect of such changes, if any, on completing any other Services or Work Product under the Statement of Work;

(C)any additional Third Party Materials, Open Source Component and any proposed Approved Subcontractor(s) which Developer deems necessary to carry out such changes; and

(D)any increase or decrease in Fees resulting from the proposed changes, which increase or decrease shall reflect only the increase or decrease in time and expenses Developer requires to implement the changes.

(ii)Within five (5) business days following Phunware's receipt of an SOW Amendment Proposal, Phunware shall by written notice to Developer, approve, reject, or propose modifications to such Change Proposal. If Phunware proposes modifications, Developer shall modify and re-deliver the Change Proposal reflecting such modifications, or notify Phunware of any disagreement therewith, in which event the Parties shall negotiate in good faith to resolve their disagreement. Upon Phunware's approval of the Change Proposal or the Parties' agreement on all proposed modifications thereto, as the case may be, the Parties shall execute a written amendment to the applicable Statement of Work to implement the Change Proposal ("**SOW Amendment**"), which SOW Amendment shall constitute an amendment to the Statement of Work to which it relates.

(iii)If the Parties fail to enter into a SOW Amendment within five (5) business days following Phunware's response to a Change Proposal, Phunware shall have the right, in its discretion, to:

(A)require Developer to perform the Services under the Statement of Work without the Change;

(B)require Developer to continue to negotiate a SOW Amendment; or

(C)notwithstanding any provision to the contrary in such Statement of Work, terminate the Statement of Work as provided herein.

(iv)No Change will be effective until the parties have executed a SOW Amendment with respect thereto. Except as Phunware may request in its Change Request or otherwise in writing, Developer shall continue to perform its obligations in accordance with the Statement of Work pending negotiation and execution of a SOW Amendment. Developer shall use its commercially reasonable to limit any delays or fee increases from any Change to those necessary to perform the Change in accordance with the applicable SOW Amendment. Each party shall be responsible for its own costs and expenses of preparing, evaluating, negotiating, and otherwise processing any Change Request, Change Proposal, and SOW Amendment.

Section 5.Phunware Cooperation and Obligations.

(a)Phunware shall, promptly and as provided in each Statement of Work, including the Project Implementation Plan and Milestone Dates set forth therein:

(i)perform all obligations identified as "Phunware Requirements" in such Statement of Work;

(ii)provide the Phunware Materials and such other resources and access as may be specified in such Statement of Work;

(iii)provide Developer Parties with such access to Phunware and its operating systems as is necessary for Developer to perform its obligations on a timely basis as set forth in such Statement of Work; and

(iv)participate in all regularly scheduled meetings scheduled in, or in accordance with, such Statement of Work, and such other meetings as may be scheduled on no less than three (3) business days' prior written notice.

(b)Upon the execution of each Statement of Work, Phunware shall appoint and maintain a Phunware employee to serve as Phunware's project manager under such Statement of Work. Each Phunware project manager shall:

(i)be responsible for overall management and supervision of Phunware's performance under such Statement of Work; and

(ii)serve as Developer's primary point of contact for communications with respect to such Statement of Work.

(c)If, as a result of any failure by Phunware to perform any of its material obligations set forth in this Section under any Statement of Work, Developer is unable to meet any remaining Milestone by its respective Milestone Date under such Statement of Work, either at all or without incurring additional costs, Developer may extend the related Milestone Date for up to the time period of Phunware's delay or, if elected by Phunware, increase the related fees solely to recover any such additional costs, in accordance with the following:

(i)Developer shall promptly provide written notice thereof to Phunware, proposing a revised Project Implementation Plan reflecting new Milestone Date(s) for the affected Milestone(s), which Milestone Date(s) may be extended by no longer than the time period of Phunware's delay and if Developer is able to meet the original Milestone Date(s) by incurring additional costs:

(A)for Services compensated by payment of fixed fees, its proposed fee increase(s) for meeting the original Milestone Date(s); or

(B)for Services compensated by payment for time and materials, the estimated costs of overtime Phunware would incur for Developer to meet the original Milestone Date(s).

(ii)Upon receipt of any such notice given under this Section, Phunware shall promptly notify Developer in writing of its election. Phunware's failure to notify Developer within five (5) days after such receipt shall be deemed an acceptance of the new Milestone Date(s) and rejection of all Fee increases.

(iii)If Phunware disputes Developer's right to extend any Milestone Date(s) or to increase any fees, or the extent of any proposed extension or increase, Phunware shall promptly provide written notice to Developer thereof and the Parties shall negotiate in good faith to resolve the dispute.

(d)Notwithstanding anything contained in this Agreement, Developer shall use commercially reasonable efforts to meet the Milestone Dates specified in the Statement of Work without any extension or Fee increase. Phunware shall not be deemed in breach of this Agreement for failure to perform its obligations on a timely basis, and the provisions of this Section provide Developer's sole and exclusive remedy, and Phunware's sole and exclusive liability, for Phunware's failure to perform its obligations under this Section.

Section 6.Delivery, Installation, Testing and Acceptance.

(a)Developer shall, prior to delivering and installing any Deliverable constituting or containing Software:

(i)test each Software component of the Deliverable to confirm that it is fully operable, meets all Functional Specifications and Technical Specifications, and otherwise functions in accordance with the Specifications and Documentation when installed in Phunware's operating environment;

(ii)scan and review each Software component of the Deliverable using reasonably acceptable scanning software and definitions to confirm it has no harmful code or other Non-Conforming Items; and

(iii)create, test and revise any Documentation relating to each Software component of the Deliverable to confirm it is accurate and complete and conforms to all requirements of this Agreement and the applicable Statement of Work.

(b)Developer shall provide Phunware with five (5) business days' prior written notice of each date, time and location at which any such pre-delivery and installation testing will be conducted.

(c)Phunware shall have appropriate members of its team present and available to observe and participate in all such pre-delivery and installation testing.

(d)Developer shall deliver to Phunware each Deliverable and install all Software components of each Deliverable, for each Milestone on or prior to the Initial Completion Date specified for such Milestone in accordance with the delivery and such other criteria set forth in the applicable Statement of Work and any Specifications set forth in the applicable Statement of Work. Developer shall provide each Deliverable constituting Software, including complete Documentation in accordance with Section 3(d), to Phunware in object code, executable code, and Source Code form.

(e)Phunware shall be responsible for ensuring that its operating environment for delivery, receipt and installation of any Deliverable constituting or containing Software is set up and in working order to enable Developer to deliver and install such Software.

(f)The Parties will, upon delivery and installation by Developer of each Deliverable constituting or containing Software, conduct pre-acceptance testing to ensure such Deliverable and all related Documentation conform to the requirements of this Agreement and the applicable Statement of Work, including any Specifications and related Documentation. All such pre-acceptance testing for any Deliverable will occur at Phunware's designated operating environment site and commence on the date which is the business day following the date of delivery and installation of such Deliverable and shall continue for a testing period of up to five (5) business days following such date.

(g)Upon delivery and installation of all Deliverables constituting or containing Software with respect to any Milestone, additional pre-acceptance testing may be conducted on the aggregate Software for such Deliverables and such Milestone as a whole to determine and ensure full operability, integration and compatibility among all components of the aggregated Software for such Deliverables and such Milestone.

(h)All pre-acceptance testing will be conducted by Phunware and in consultation with Developer; and Developer will have appropriate members of the Developer Team present and available to observe and participate in all such pre-acceptance testing.

(i)Phunware may suspend any such pre-acceptance testing for any Deliverable and the related testing period upon prior written notice to Developer if Phunware determines that such Deliverable or component or feature thereof has or may have a Non-Conforming Item (defined below), whereupon Developer shall within two (2) business days correct any such determined Non-Conforming Item.

(j)Within two (2) business days following completion of any pre-acceptance testing of any Deliverable or set of Deliverables, Phunware will provide written notice to Developer that such pre-acceptance testing has been completed; and Phunware will then have five (5) business days following such notice date ("**Acceptance Period**") to evaluate whether such Deliverable conforms to the Specifications for such

Deliverable (as determined in Phunware's sole reasonable discretion) and to accept or not accept such Deliverable (such acceptance not to be unreasonably withheld).

(k)If Phunware delivers written notice to Developer rejecting any Deliverable or any component or feature as fails to conform in any material respect to the Specifications or other requirements for such Deliverable (each a "**Non-Conforming Item**") within the Acceptance Period for such Deliverable, Developer shall promptly (and in consultation with Phunware) remedy the Non-Conforming Item and re-deliver the Deliverable to Phunware at Developer's sole cost and expense.

(l)If Phunware discovers any additional Non-Conforming Item in any Deliverable after a second or subsequent re-delivery thereof, or Developer fails to remedy any existing Non-Conforming Item and re-deliver the Deliverable on a timely basis, Phunware may, in its sole discretion, by written notice to Developer: (i) continue the process set forth in this Section 6; or (ii) reject the nonconforming Deliverable and pursue appropriate remedies, if any, consistent with this Agreement.

(m)If Phunware fails to notify Developer in writing of its rejection of any Deliverable within the Acceptance Period for such Deliverable, the Deliverable shall be deemed accepted by Phunware. Any updates, upgrades, improvements, enhancements, additions, bug fixes and other changes to any of the software, applications, technology, Intellectual Property or Services constituting part of any Deliverable will be deemed accepted by Phunware on the date of receipt by Phunware thereof, unless otherwise specified in written notice by Phunware to Developer.

Section 7.Support, Maintenance and Training Services.

(a)Developer shall provide technical support services and maintenance services to Phunware for the Services, Work Product and Background Technology as described below and in any applicable Statement of Work.

(b)Developer shall be responsible for the routine maintenance of the Work Product and Background Technology, as and when requested by Phunware.

(c)Developer shall provide Phunware with training and instructions on the Services and the Work Product at then current rates as provided in the applicable Statement of Work.

Section 8.Fees; Expenses; Payments.

(a)In consideration for the Services and Deliverables provided hereunder, Phunware shall pay Developer the fees set forth in an applicable Statement of Work. Notwithstanding anything to the contrary in this Agreement or in any SOW, Phunware shall not be responsible for the payment of any fees for Services that are not performed, or Deliverables that Phunware does not receive, in accordance with this Agreement.

(b)Phunware shall reimburse Developer for all reasonable out-of-pocket documented costs and expenses incurred by Developer in the performance and provision of the Services. Phunware will not be required to reimburse Developer for any such fees, costs or expenses, unless pre-approved in writing by Phunware.

(c)Phunware shall be responsible for all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any federal, state, or local governmental authority on any amounts payable by Phunware hereunder, other than any taxes imposed on, or with respect to, Developer's income, revenues, gross receipts, personnel, real or personal property, or other assets.

(d)Developer shall invoice Phunware for fees and reimbursable expenses for each Statement of Work in accordance with the invoicing schedule and requirements set forth in such Statement of Work. Developer shall submit each invoice in electronic format, via such delivery means and to such address as are specified by the applicable Statement of Work from time to time. If more than one Statement of Work is outstanding, Developer shall provide separate invoices for each Statement of Work. Each separate invoice shall:

(i)identify the Statement of Work to which it relates;

(ii)list each fee item and reimbursable expense separately;

(iii)for fees determined on a time and materials basis, report details of time taken to perform Services, and such other information as Phunware requires;

(iv)be accompanied by all supporting documentation required hereunder for any reimbursable expenses; and

(v)include such other information required by Phunware as set forth in the applicable Statement of Work.

(e)Subject to the terms and conditions of this Section 8, Phunware shall pay all properly invoiced fees and reimbursable expenses within ten (10) business days after Phunware's receipt of the proper invoice from Developer therefor.

(f)With respect to any Developer invoice which is disputed in whole or in part by Phunware:

(i)Phunware may withhold from payment any amount disputed by Phunware in good faith, pending resolution of the dispute. Phunware will promptly provide written notice of the dispute, specifying in such notice (A) the amount in dispute and (B) the reason for the dispute in reasonable detail by Developer and resolution by the parties and work with Developer in good faith to promptly resolve the dispute.

(ii)Developer shall continue performing its obligations in accordance with this Agreement and each Statement of Work notwithstanding any such dispute or actual or alleged nonpayment that is the subject of the dispute.

(g)All payments hereunder relating to any Statement of Work shall be made to the address or account specified in such Statement of Work or such other address or account as is specified by Developer in writing to Phunware from time to time.

(h)Developer shall not withhold any Services or fail to perform any obligation hereunder by reason of Phunware's good faith withholding of any payment or amount in accordance with this Section 8 or any dispute arising therefrom.

(i)The fees set forth in each and any Statement of Work are and shall be fixed and firm and shall not be modified during the Term.

(j)Without limiting any other right or remedy Phunware may have, Phunware reserves the right to set-off at any time any amount owing to it by Developer against any amount payable by Phunware to Developer under this Agreement or any Statement of Work.

(k)Developer shall maintain during the term of this Agreement and for a period of five (5) years following such term complete and accurate books and records regarding its business operations relating to the fees, reimbursable expenses, and any other information relating to this Agreement. During the term of this Agreement, upon Phunware's request, Developer shall make such books and records, and appropriate personnel, available during normal business hours for inspection or audit by Phunware or its authorized representatives. Phunware agrees to (i) provide Developer with reasonable prior written notice of any audit; and (ii) conduct or cause to be conducted such audit in a manner designed to not cause undue disruption to Developer's business operations.

Section 9.Term and Termination.

(a)Unless terminated early, the term of the Agreement will commence on the Effective Date and continue for a period of one (1) year; the term will renew for up to two one-year renewal terms unless either Party provides notice within ninety (90) days of the then current term ("**Term**").

(b)This Agreement and each Statement of Work may be terminated (i) by mutual written agreement of the Parties; (ii) for convenience by either Party upon sixty (60) days written notice to Developer; or (iii) upon thirty (30) days' prior written notice by either Party to the other Party for material breach of this Agreement by such other Party, if such material breach is not cured or remedied within sixty (60) days after the non-breaching Party provides the breaching Party with written notice of such breach.

(c)Upon any termination of this Agreement or applicable Statement of Work, Developer shall (i) promptly deliver to Phunware all Work Product created, developed and otherwise generated by Developer (whether complete or incomplete, including, without limitation, all object and source code), and (ii) Phunware shall pay for any work in progress that up until the effective date of termination has not already been paid on a pro-rated basis in accordance with the fees set forth in the applicable Statement of Work.

(d)Upon any termination of this Agreement or applicable Statement of Work, at Phunware's request, Developer will provide in a prompt and cooperative manner to Phunware, the transition assistance required by Phunware to allow the Services and operation of the Software to continue without interruption or adverse effect and to facilitate the orderly transfer of the Services to Phunware (the "**Transition Assistance**"). The Transition Assistance shall commence upon notice of termination or non-renewal of this Agreement and continue during the termination notice period and for a commercially reasonable period for up to 90 days thereafter (the "**Transition Assistance Period**"). Developer shall ensure that the quality and level of the Services shall not be degraded during the Transition Assistance Period. Without limitation to the foregoing, Transition Assistance shall include: (i) within sixty (60) business days after the commencement of the Transition Assistance Period, Developer will provide a complete plan for operational turnover that enables a smooth transition of the Services performed by Developer under this Agreement to Phunware; (ii) Developer will promptly provide any information that is necessary to effectuate a smooth transfer of all Services; and (iii) during the Transition Assistance Period, Developer shall continue to provide the Services in accordance with the terms and conditions of this Agreement. Developer will provide Transition Assistance to Phunware subject to Developer's then existing fees or rates.

Section 10.Relationship. Developer shall perform and provide all Services as an independent contractor to Phunware, and is responsible for paying all taxes and fees on amounts received hereunder. Developer will retain full control over the means, methods, times, and manner of providing and performing the Services, subject to the terms and provisions of this Agreement and any Statement of Work. Nothing in this Agreement shall be construed to create an employer-employee relationship, partnership, joint venture, or agency between the parties. Neither Party is an employee, agent, or representative of the other Party and neither Party has authority to act for or to bind the other Party without prior written consent of the other Party.

Section 11.Confidentiality.

(a)Definition. As used in this Agreement, "**Confidential Information**" means all information of a Party confidential or proprietary and/or sensitive nature that is not commonly known or readily ascertainable, about such Party, its actual or prospective products, services, technology, software, source code, other intellectual property, business operations, its customers, or its financial affairs, and any other information that identifies in writing as or to confidential or proprietary information, that either Party obtains, acquires, or is made available to that Party during or prior to the Term, including, without limitation, any trade secrets, business plans and strategies, financial information, personnel information, procedures, products, clients, customers and marketing, and all documentation of such information, in all forms and media.

(b)Restrictions on Use. Developer shall not use any Confidential Information of or from the Phunware for any purpose, other than to perform the Services for the Phunware in good faith and in accordance with this Agreement and any applicable Statement of Work.

(c)Restrictions on Disclosure. During the Term and for a period of three (3) years after the termination of this Agreement, each Party shall maintain in strict confidence all Confidential Information of the other Party received by it and shall not disclose any Confidential Information of the other Party to any third party. Each Party shall take all measures needed to protect the secrecy of and avoid disclosure or use of Confidential Information of the other Party received by it to or by any third parties other than those third parties authorized by the other Party under this Agreement to have any such information, including without limitation, those measures that the other Party uses to protect its own confidential information. Notwithstanding the foregoing, if legally required to do so, each Party is permitted to disclose Confidential Information of the other Party received by it to the minimum extent necessary to comply with such legal requirement, but must notify the other Party of the required disclosure and must reasonably assist the other Party in any efforts to obtain a protective order. Additionally, notwithstanding anything to the contrary in this Agreement, with respect to Confidential Information that constitutes a trade secret under applicable law, such rights and obligations will survive such expiration until, if ever, such Confidential Information loses its trade secret protection other than due to an act or omission of the receiving Party.

(d)Exclusions. Confidential Information does not include information of a Party that (i) is or becomes publicly available other than by any act or omission of the other Party; (ii) was or becomes available to the other Party from a source other than the disclosing Party or any of its members, managers, steering committee members, employees, representatives, attorneys and agents (as demonstrated by written, dated documents in the other Party's possession) provided that such source was lawfully permitted to make such information available to other Party; or (iii) the other Party develops independently from sources in the public domain and without reference to Confidential Information.

(e)Return or Destruction of Confidential Information. Upon the earlier to occur of the date of termination of this Agreement or the disclosing Party's request, the receiving Party shall promptly return to disclosing Party or destroy all material embodying Confidential Information in the receiving Party's possession, including all copies thereof.

(f)Improper Use of Other Confidential Information. There may be confidential or proprietary information in receiving Party's possession belonging to a third party that Party received in connection with performance of services for third parties or otherwise. Neither Party shall improperly use any such confidential or proprietary information to perform any of the Services hereunder.

(g)DTSA. Pursuant to the Defend Trade Secrets Act of 2016, the Parties understand that an individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Further, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the employer's trade secrets to the attorney and use the trade secret information in the court proceeding if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

Section 12.Phunware Ownership; Intellectual Property.

(a)The provision of Confidential Information constituting Intellectual Property by a Party to the other Party shall not result in a transfer of any right, title or interest in or to such Intellectual Property to such other Party, unless otherwise provided in this Agreement or any Statement of Work. Each Party retains ownership of its own rights and interests in Intellectual Property in its Confidential Information.

(b)Developer shall create all Work Product as work made for hire as defined in Section 101 of the Copyright Act of 1976. To the extent Work Product cannot be considered a work for hire, Developer hereby irrevocably, absolutely and unconditionally assigns, transfers and conveys to Phunware, in perpetuity, throughout the universe, all right, title and interest in and to all Work Product, including all Intellectual Property Rights and interests therein; and Developer hereby irrevocably, absolutely and unconditionally waives any and all claims Developer may now or hereafter have in any jurisdiction to so-called "moral rights" or rights of *droit moral* with respect to the Work Product. Developer shall take all appropriate action and execute and deliver all instruments and documents necessary or reasonably requested by Phunware to effectuate any of the provisions or purposes of this Section 12 or which may otherwise be necessary or useful for Phunware to prosecute, register, perfect, record, or enforce its rights and interests in or to any Work Product or any Intellectual Property Rights therein; and Developer hereby appoints Phunware as its attorney-in-fact with full irrevocable power and authority to take any such actions and execute any such instruments and documents if Developer fails to do so. Notwithstanding anything to the contrary in this Agreement, Work Product shall not include Developer's internal operating systems, methodologies, workflows, orchestration systems, prompt-generation systems, development tooling, governance tooling, or other internal-use platforms, including OutcomeOS, Build Authority, BSPG OS, and related derivatives, improvements, or modifications thereto, whether or not used by Developer in performing the Services.

(c)To the extent that any Background Technology is necessary for the operation, use, or exploitation of Work Product, Developer hereby grants a perpetual, royalty-free, assignable, sublicensable license to such Background Technology to the full extent necessary for Phunware to exploit its ownership in the Work Product.

(d)Additionally, if Developer makes any updates, upgrades, improvements, enhancements, new releases, bug fixes, patches and/or other additions or changes (collectively, "**Updates**") to any Background Technology which is contained in or otherwise incorporated with or into any Work Product, such Updates shall be promptly offered and provided to Phunware at no charge. Phunware understands that there may be an implementation cost depending on the nature of the Update.

(e)Developer shall ensure that any use of generative artificial intelligence does not impair Phunware's ownership rights in the Deliverables or cause any breach of Developer's representations, warranties, or obligations relating to intellectual property ownership, originality, or non-infringement.

(f)Phunware retains all rights to Phunware Data. No right to aggregate, anonymize, reuse, create derivative works, or otherwise use Phunware Data is granted in this Agreement.

(g)Developer will place into escrow the source code, object code, updates and related developer notes ("**Escrow Materials**") of any Background Technology, buy only so far as is necessary to operate the delivered Software, with a reputable escrow agent no less frequently than once a quarter for the duration of the Term. For the avoidance of doubt, BSPG internal operating systems, methodologies, workflows, orchestration tooling, prompt-generation systems, governance tooling, and other internal-use platforms, including OutcomeOS, Build Authority, and BSPG OS are not included in Escrow Materials. An escrow agreement will be executed between the parties and the escrow agent within sixty (60) days of execution of this Agreement. If during the Term Developer files for bankruptcy protection, becomes insolvent or otherwise ceases business operations or sees such operations materially curtailed (each a "**Release Event**"), then Phunware may elect to have the Escrow Materials made available to Phunware for the purpose of enabling Phunware to continue to operate, use, or exploit the Work Product as permitted under this Agreement. Such rights shall be fully subject to, and only as permitted by, all applicable licensing and other agreements relating to the Background Technology. Phunware shall be obligated at all times to maintain the confidentiality of all confidential aspects of the Escrow Materials (specifically including all source code). Further, in the event of an Escrow Release, Phunware may modify, correct, or enhance the code for the purposes permitted under this Agreement, and any such modifications, corrections, or enhancements, and any related materials and documentation (and all proprietary rights therein, including, but not limited to, copyrights) shall belong exclusively to Phunware.

(h)The Parties acknowledge and agree that all licenses granted by Developer to Phunware under this Agreement are licenses of "intellectual property" within the meaning of Section 101 of the United States Bankruptcy Code. In the event Developer becomes a debtor in a case under Title 11 of the United States Code, Phunware shall be entitled to retain its rights under this Agreement, including all licenses granted hereunder, subject to Section 365(n) of the Bankruptcy Code.

(i)Notwithstanding any other term or provision of this Agreement, Developer covenants and agrees with Phunware that Developer and its Affiliates will not provide any Services to any other person or entity developing intelligence platform products and services that compete directly with Phunware, without the prior written consent of Phunware

Section 13.Data Privacy; Cyber Security.

(a)Data protection and privacy under this Agreement shall be governed by the terms and conditions set forth in Phunware's Data Processing Addendum, attached hereto as **Exhibit B**.

(b)Developer shall comply with Phunware's Information Security Addendum, attached hereto as **Exhibit C**.

(c)Developer has implemented, maintains, and monitors a comprehensive written information security policy that contains appropriate administrative, technical, and organizational safeguards to ensure the confidentiality, integrity, and availability of any Phunware Data (including Personal Data as defined in **Exhibit B**, if any).

(d)Developer shall exercise its best efforts to ensure that the Services provided hereunder shall not result in the direct or indirect loss, destruction, deletion, or alteration of any Phunware Data ("**Data Loss**"). To the extent Data Loss is caused by the Services, Developer shall promptly use its best efforts to restore any lost Phunware Data from the most recently available electronic back-up copy made available by Phunware. If Developer fails to act promptly to restore the lost Phunware Data, Phunware may perform such restoration or have such restoration performed for it by a third party, and Developer shall reimburse Phunware for the reasonable cost thereof.

Section 14.Indemnification.

(a)Each Party shall indemnify, defend, and hold harmless the other Party, its members, and each of its and their respective affiliates and subsidiaries, and each of its and their respective managers, members, partners, directors, officers, employees, agents, representatives, successors and assigns (each, an "**Indemnified Party**"), from and against any and all losses, damages, liabilities, suits, proceedings, actions, judgments, settlements, awards, penalties, fines, costs, or expenses, including reasonable attorneys' fees paid or incurred (collectively, "**Losses**") by such Indemnified Party arising from, out of or in connection with (i) the indemnifying Party's breach of any representation, warranty, covenant or obligation under this Agreement and/or (ii) any negligence or more culpable act or omission (including recklessness or willful misconduct) by the indemnifying Party in connection with its performance under this Agreement by such indemnifying Party.

(b)Developer shall further indemnify, defend, and hold harmless Phunware, its members or activity required or conducted under, and each of its and their respective affiliates and subsidiaries, and each of its and their respective managers, members, partners, directors, officers, employees, agents, representatives, successors and assigns (each, a "**Phunware Indemnified Party**") from and against any and all Losses paid or incurred by such Phunware Indemnified Party arising from, out of or in connection with (i) the negligent acts or omissions or willful misconduct of Developer, its Affiliates or any of their respective employees, contractors or agents; (ii) any violation of applicable law by Developer, its Affiliates or any of their respective employees, contractors or agents; (iii) transmission of any virus, malware, or malicious software code through the Services or any Work Product; (iv) any Data Loss or other breach of Developer's data security obligations under this Agreement; and (v) actual or alleged infringement of any Intellectual Property Right (including, but not limited to, misappropriation of trade secrets) (an "**IP Claim**") based in whole or in part upon any Service or Work Product, whether alone or in combination with elements or instrumentalities contemplated in the applicable SOW. Without limiting Developer's indemnification obligations herein, any Work Product or any component thereof, other than Phunware Materials, is found to be infringing or misappropriating or if any use or possession of any Work Product or any component thereof is enjoined, threatened to be enjoined or otherwise the subject of such an infringement or misappropriation claim, Developer shall promptly, at Developer's sole cost and expense, with the prior the prior written consent of Phunware (not to be unreasonably withheld), pursue one of the following alternatives if such alternative is reasonably available: (i) procure for Phunware the right to continue to use such Work Product or component thereof to the full extent contemplated by this Agreement or (ii) modify or replace the materials that infringe or misappropriate or are alleged to infringe or misappropriate to make the Work Product and all of its components non-infringing or non-misappropriating while providing fully equivalent features and functionality. The remedies set forth in this Section 14(b) are exclusive of all other remedies that may be available to Phunware related to a claim or action for infringement or misappropriation of third party Intellectual Property rights described in this Section 14(b).

(c)Notwithstanding anything to the contrary contained in this subsection (c), Developer does not indemnify the Phunware to the extent that the third party claim or action arises from the Work Product being used by Phunware for illegal purposes.

(d)A Party seeking indemnification under this Agreement shall promptly notify the other Party in writing of any action or claim for which indemnification is sought. Any failure or delay in notifying the indemnifying Party will not relieve the indemnifying Party of its indemnification obligations, except to the extent that the indemnifying Party is actually prejudiced by such failure or delay. A Party seeking indemnification shall also furnish the indemnifying Party with all relevant information and reasonable assistance in defending the action or claim. The indemnifying Party shall have sole authority and responsibility to assume the defense of (with counsel reasonably acceptable to the Indemnified Party) and settle any action or claim for which it indemnifies the other Party, provided that the indemnifying Party shall promptly pay or reimburse the Indemnified Party for all reasonable fees, costs and expenses paid or incurred in providing assistance to the indemnifying Party in defense of such action or claim. Notwithstanding any other provision herein, the indemnifying Party may not settle any action or claim brought by a third party without the prior written consent of the Indemnified Party unless the settlement (i) provides only for the payment of money damages, (ii) fully and unconditionally releases the Indemnified Party from all Losses related to such action or claim brought by a third party, and (iii) does not result in a finding or admission of fault or guilt or similar acknowledgment by the indemnified Party or otherwise adversely affect the Indemnified Party.

(e)The Parties agree that in the event of a breach of Sections 11 or 12, the non-breaching Party shall be entitled to obtain injunctive relief from any court of competent jurisdiction without needing to post a bond or prove actual damages.

Section 15.Representations and Warranties; Covenants.

(a)Each Party represents and warrants to the other Party that:

(i)such Party is a limited liability company duly organized, validly existing and in good standing under applicable law;

(ii)the execution, delivery and performance by such Party of this Agreement and the consummation of the transactions contemplated hereunder have been duly authorized by all necessary action of such Party and does not and will not violate any organizational documents of such Party, any laws or regulations which are applicable to such Party, or any agreement to which such Party is a party; and

(iii)this Agreement has been duly executed and delivered by such Party and constitutes the legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms.

(b)Developer represents and warrants to, and covenants and agrees with, Phunware that:

(i)Developer will perform and provide the Services, Work Product and Deliverables in accordance with the terms and provisions of this Agreement, the Statements of Work and other Documentation, and in a timely, professional and workmanlike manner in accordance with commercially reasonable and accepted industry standards and practices for similar services and in conformity in all material respects to the agreed upon

Specifications, using personnel with the requisite skill, experience and qualifications;

(ii)Developer is and will be in compliance with, and will perform and provide all Software, Work Product and Deliverables in compliance with, all applicable laws and regulations;

(iii)Developer will create, develop, deliver and provide all Software, Work Product and Deliverables in accordance with the terms and provisions set forth in the respective Statement(s) of Work and this Agreement;

(iv)except with respect to the Background Technology as provided in Section 12(c), all Work Product is the original work of Developer and its employees and independent contractors, and Phunware has and will have good and valid title to all Work Product and all Phunware Data, free and clear of all encumbrances and liens of any kind;

(v)when delivered, no software, applications, technology or Intellectual Property or other Work Product will contain any harmful code or viruses or material defects;

(vi)Developer has obtained, or will obtain in a timely manner, all necessary licenses, permissions, consents, approvals, and rights from third parties, including but not limited to software libraries, open-source components, tools, and other materials, required to access and use, license and distribute the Software, Work Product and Deliverables to Phunware as intended under this Agreement;

(vii)all members of Developer Team and all other Approved Subcontractors directly or indirectly engaged by Developer to perform services or contribute to the development of any Software, Work Product and Deliverables under this Agreement have executed, or will execute prior to performing any such services, written agreements with Developer that include confidentiality, non-disclosure, and Intellectual Property assignment provisions that are no less restrictive than those set forth in this Agreement and, with respect to Intellectual Property assignment provisions, are otherwise reasonably acceptable to Phunware; and all such agreements shall ensure that: (A) Developer Team members and other Approved Subcontractors are bound by obligations of confidentiality and non-disclosure at least as stringent as those imposed on Developer under this Agreement, including protections for Phunware's confidential information and Intellectual Property; (B) all Software, Work Product and Deliverables created by Developer Team members and other Approved Subcontractors shall be considered "work made for hire" as defined under applicable copyright laws and such Developer Team members and other Approved Subcontractors shall have assigned all rights, title, and interests in and to such Software, Work Product and Deliverables to Developer, and

Developer shall have the authority and right to assign all such rights, title and interest in and to such Software, Work Product and Deliverables to Phunware pursuant to this Agreement; (C) Developer shall take all necessary steps to enforce such agreements to protect Phunware's rights, title and interests in and to the Software, Work Product and Deliverables; and (D) Phunware is and shall be a third party beneficiary of all such agreements;

(viii)any Software, Work Product and Deliverables (excluding Phunware Materials) when delivered and assigned by Developer to Phunware hereunder will not (A) infringe, misappropriate or otherwise violate any Intellectual Property right or other right of any third party, (B) violate any applicable Laws or any agreements of Developer or (C) breach or violate any agreements of any other person or entity; and

(ix)Developer covenants and agrees that Developer may use AI tools in the provision and performance of the Services, including the creation and development solely as assistive aids in the development and testing of the Deliverables and other Work Product. Developer represents and warrants to Phunware that Developer shall exercise sufficient human authorship, creative control, review, analysis, improvement, enhancement and modification over all Deliverables and other Work Product and such that the Deliverables and other Work Product (a) constitute original works of authorship of Phunware and Phunware personnel and (b) are capable of being and are actually assigned to and owned and enforced by Phunware as contemplated by this Agreement and any Statement of Work.

(x)Each item of Work Product and each other Deliverable hereunder will, for a period of ninety (90) days following its acceptance, (a) be free from defects in materials, design, and workmanship, (b) be free from errors in operation and performance, and (c) provide the functions and features and operate in the manner described in, and otherwise comply with, its applicable Documentation, excluding in each case only trivial non-conformities.

(xi)If Phunware notifies Developer of a breach of this representation and warranty within one hundred (100) days after the acceptance of such Work Product or other Deliverable by Phunware, Developer will at its sole expense promptly remedy and redeliver the affected Work Product or Deliverable to Phunware without delay and with no adverse impact on the performance of the Services. If Developer fails to do so within fifteen (15) days from receipt of such notice (or such other time period agreed by the Parties), Developer will reimburse Phunware for the expenses incurred by Phunware to remedy the affected Work Product or Deliverable, or engaging others to remedy the affected Work Product or Deliverable, to the extent that such expenses exceed the Fees (even if not paid) for or allocable to such item.

Section 16.LIMITATION OF LIABILITY.

(a)EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT OR ANY STATEMENT OF WORK, DEVELOPER MAKES NO WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT. DEVELOPER DOES NOT WARRANT THAT THE SERVICES OR DELIVERABLES WILL BE ERROR FREE OR UNINTERRUPTED. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS, LOST REVENUE, LOSS OF DATA, OR BUSINESS INTERRUPTION, ARISING OUT OF OR RELATED TO ITS PERFORMANCE UNDER THIS AGREEMENT, WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY, OR ANY OTHER LEGAL THEORY, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. DEVELOPER'S TOTAL LIABILITY FOR ANY CLAIMS ARISING OUT OF OR RELATED TO THIS AGREEMENT SHALL BE LIMITED TO THE AMOUNT PAID BY COMPANY TO DEVELOPER FOR THE SERVICES GIVING RISE TO THE CLAIM DURING THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE LAST EVENT GIVING RISE TO SUCH LIABILITY.

(b)The exclusions and limitations in Section 16(a) shall not apply to:

(i)Losses arising out of or relating to a Party's failure to comply with its obligations under Section 11 (Confidentiality) or Section 12 (Phunware Ownership; Intellectual Property);

(ii)Losses arising out of or relating to a Developer's failure to comply with its obligations under Section 13 (Data Privacy; Cybersecurity);

(iii)A Party's indemnification obligations under Section 14 (Indemnification);

(iv)Losses arising out of or relating to a Party's gross negligence, willful misconduct, fraud or other intentional acts;

(v)Losses for death, bodily injury, or damage to real or tangible personal property arising out of or relating to a party's negligent or more culpable acts or omissions; or

(vi)Losses to the extent covered by a Party's insurance.

Section 17.Notices. All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed sufficient if personally delivered, or emailed or sent by nationally-recognized overnight courier, or by registered or certified mail, return receipt requested and postage prepaid, addressed as follows:

(a)If to Developer:

Name: BSPG
Attention: Michael Cerda
Address: [***]
Email: [***]

(b)If to Phunware:

Name: Phunware, Inc.
Attention: Christopher Olive
Address: [***]
Email: [***]

or to such other address as the Party to whom notice is to be given may have furnished to each other Party in writing in accordance herewith. Any such notice or communication shall be deemed to have been received (a) in the case of personal delivery, on the date of such delivery, (b) in the case of nationally recognized overnight courier, on the next business day after the date when sent, and (c) in the case of mailing, on the third business day following that on which the piece of mail containing such communication is posted.

Section 18.Assignment.

(a)This Agreement shall bind and inure to the benefit of any successors and permitted assigns of the Parties. This Agreement may not be sold, assigned or otherwise transferred, directly or indirectly, by either Party without the prior written consent of the other Party.

(b)In the event of a sale or transfer by Phunware of the Project as a whole, the sale of Phunware as an entity or change of control of Phunware or the sale, assignment or transfer by Phunware of substantially all of its assets, this Agreement and each Statement of Work may be sold, assigned or transferred by Phunware without the prior written consent of Developer and Developer will execute such agreements, instruments and documents as are reasonably requested to effect the foregoing.

Section 19.Publicity. Subject to applicable law, each party may disclose the existence of this Agreement and the relationship contemplated hereby; provided that neither party shall issue a press release or public announcement referring to the other party or this Agreement without the other party's prior written consent, which shall not be unreasonably withheld or delayed.

Section 20.Specific Performance. The Parties acknowledge and agree that irreparable damage would occur if any of the terms or provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which any Party may be entitled, at law or in equity, each Party shall be entitled to enforce any term or provision of this Agreement by specific performance and to temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the terms or provisions of this Agreement, without posting any bond or other undertaking.

Section 21.Governing Law. This Agreement and each Statement of Work shall be governed by, and construed and interpreted in accordance with, the laws of the State of Texas, without giving effect to principles of conflicts of laws thereof.

Section 22.Headings. Section headings are used for convenience only and shall in no way affect the construction of this Agreement.

Section 23.Entire Agreement. This Agreement, together with any other documents incorporated herein by reference and all Exhibits and Schedules, and all Statement(s) of Work and the Software and Intellectual Property License Agreement, contains the entire understanding of the Parties with respect to the subject matter hereof and thereof.

Section 24.Amendments. This Agreement and each Statement of Work may be amended, modified or supplemented only by a written agreement executed by the Parties.

Section 25.Counterparts. This Agreement and each Statement of Work may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Section 26.Waivers. Any Party may, by written notice to the other Party, waive any provision of this Agreement or any Statement of Work. Any waiver not made with written notice is invalid. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

Section 27.Severability. If any term, provision, covenant, or restriction of this Agreement or any Statement of Work is held by a court or other authority with competent jurisdiction to be invalid, illegal, void, or unenforceable, the remaining terms, provisions, covenants, and restrictions will remain in full force and effect and will not be affected, impaired, or invalidated.

Section 28.Survival. This Section, any section that by its terms is intended to survive, and all representations, warranties, covenants, indemnities, and confidentiality obligations undertaken hereunder shall survive the termination or expiration of this Agreement.

Section 29.Order of Precedence. In the event of any conflict or inconsistency between this Agreement and any applicable Statement of Work, the Statement of Work shall control, but solely with respect to the subject matter expressly addressed in such Statement of Work.

IN WITNESS WHEREOF, the Parties have duty executed this Master Software and Services Agreement as of the date first above written.

BUILD SOMETHING LLC (d/b/a/ Build Something Product Group / BSPG)

By: */s/ Michael Cerda*
Name: Michael Cerda
Title: Founder

PHUNWARE, INC.

By: */s/ Dmitry Kroshka*
Name: Dmitry Kroshka
Title: Chief Executive Officer

Signature Page to Master Software and Services Agreement

EXHIBIT A

STATEMENT OF WORK NO. 1
(executed copy)

[to be provided]

EXHIBIT B

DATA PROCESSING ADDENDUM

[to be provided]

[***]

EXHIBIT C

INFORMATION SECURITY ADDENDUM

[to be provided]

[***]

EXHIBIT A

Certain identified information marked with “[***]” has been omitted from this document because it is both (i) the type that the registrant customarily and actually treats as private or confidential and (ii) not material.

AMENDED AND RESTATED STATEMENT OF WORK NO. 1

This Amended and Restated Statement of Work No. 1, dated as of August 10, 2026, is entered into by and between Build Something LLC (d/b/a Build Something Product Group / BSPG), a Delaware limited liability company ("**Developer**") and **Phunware, Inc**., a Delaware corporation ("**Customer**") and relates to the Project specified below.

I.Amendment and Restatement. This SOW No. 1 amends and restates that certain original Statement of Work No. 1, dated as of May 13, 2026 (the "**Original SOW No. 1**"), in its entirety. This Amended and Restated Statement of Work No. 1 is hereby incorporated into and made a part of that certain Master Software and Services Agreement, dated as of May 13, 2026, by and between Developer and Customer (as amended, restated, supplemented or otherwise modified from time to time, the "**Master Software and Services Agreement**") with respect to the Project specified below and is referred to herein as the "**SOW**". Capitalized terms used but not defined herein and which are defined in the Master Software and Services Agreement shall have the meanings specified in the Master Software and Services Agreement. The Parties acknowledge and agree that certain terms and provisions in this SOW are designated as to be negotiated, determined or otherwise included in this SOW and such terms and provisions will be negotiated, determined or otherwise included and made part of this SOW by SOW Amendments entered into by the Parties following the date hereof and that the Parties intend to be and are bound by the terms and provisions currently set forth in this SOW which are valid and enforceable.

II.Project Overview

A.Project: Apollo

B.Project Services: the primary Services to be performed by Developer for the Project hereunder are:

1.Software Development Services

(a)Software Development Deliverables

(b)Software Documentation Deliverables

2.Advisory Services

(a)Product Management Advisory Services

(b)Sales and Marketing Advisory Services (c)Strategic Advisory Services

C.Project Managers

1.Developer Project Manager

(a)Name: Michael Cerda

(b)Title: Founder, BSPG

(c)Email Address: [***]

(d)Telephone Number: [***]

2.Customer Project Manager

(a)Name: Jason Powell

(b)Title: Senior Vice President, Engineering and Product, Phunware, Inc.

(c)Email Address: [***]

(d)Telephone Number: [***]

D.Project Term: May 17, 2026 (the "**Project Commencement Date**") to and including May 28, 2027 (the "**Project Completion Date**")

E.Project Operational Framework (including AI Tools and Documentation): see Project Apollo AI Assisted Software Development, Governance, Testing, Security and Operational Framework, prepared by Developer and Customer and attached hereto as **Exhibit A** which sets forth the operating framework for AI assisted software development, documentation, tooling, ownership, infrastructure responsibility, testing, customer validation, governance, operational controls and collaboration by the Parties for Project Apollo (the "**Project Operational Framework**")

F.Project Implementation Plan: Developer and Customer will agree upon and incorporate the Project Implementation Plan for the Project with and into this Amended and Restated Statement of Work No. 1 on or before September 30, 2026

G.Project Completion Date: on or before May 28, 2027

III.Milestones, Milestone Services and Milestone Dates; Specifications; Deliverables and Documentation

A.Milestone 1: Completion, Delivery and Acceptance of Foundation Set Software Development and Advisory Services, Specifications, Deliverables and Documentation

1.Milestone 1 Services

(a)Foundation Set Software Development Services, Deliverables and Documentation

(i)Establish the Customer Software platform foundation set that every subsequent Project release will depend on; avoid accumulation of technical debt that erodes velocity and increases delivery risk

(ii)The primary Foundation Set Software Development Deliverables shall consist of the following:

- [***]

-[***]

-[***]

-[***]

-[***]

-[***]

-[***]

-[***]

-[***]

-[***]

(iii)The primary Foundation Set Software Documentation Deliverables shall be determined, agreed upon and prepared by the Parties in SOW Amendments and as contemplated in the Project Operational Framework

(b)Advisory Services

(i)Product Management Advisory Services: advise Customer senior management and product teams on Project-related product design, management and development for Apollo generally and Milestone 1 Software Development Deliverables specifically, as requested by Customer

(ii)Sales and Marketing Advisory Services: advise Customer senior management and sales and marketing teams on Project-related product and services sales and marketing initiatives for Apollo

(iii)Strategic Advisory Services: advise Customer senior management and Board of Directors on Project-related strategies for Apollo; participate in Customer senior leadership meetings and Board of Directors meetings relating to the Project generally and Milestone 1 Software Development Deliverables specifically, as requested by Customer

2.Functional Specifications

(a) [***]

(b)[***]

3.Technical Specifications: to be included herein by SOW Amendment as **Annex A** hereto

4.Delivery and Testing of Software Development and Documentation Deliverables; Deliverable Acceptance Criteria: the procedures and criteria for completion, delivery, testing and acceptance of Milestone 1 Software Development and Documentation Deliverables will be determined in good faith and agreed upon by the Parties in SOW Amendments and as contemplated by the Project Operational Framework

5.Key Milestone 1 Dates (any dates referenced but not specified below will be determined in good faith and agreed upon by the Parties in SOW Amendments)

(a)Services Commencement Date: the date which is three (3) business days after the Project Commencement Date

(b)Software Development Services Deliverables and Documentation Dates

(i)Pre-Delivery Completion Date

(ii)Pre-Delivery Developer / Customer Testing Dates

(iii)Post-Testing Delivery Dates

(c)Customer Board of Directors / Senior Management Software Deliverables and Documentation Review Date: July 17, 2026

(d)Acceptance Period Dates

(e)Final Delivery and Acceptance Date: on or before August 31, 2026

(f)Customer IR/PR Announcement Date: date within five (5) business days after the Milestone 1 Final Delivery and Acceptance Date (or other date determined by Customer)

B.Milestone 2: Completion, Delivery and Acceptance of Apollo MVP Software Development and Advisory Services, Specifications, Deliverables and Documentation

1.Milestone 2 Services

(a)Apollo MVP Software Development Services, Deliverables and Documentation

(i)Establish and activate the intelligence layer and expand Apollo footprint across named pilot properties, moving from a single property proof of concept to a multi-property platform demonstration

(ii)The primary Apollo MVP Software Development Deliverables shall consist of the following:

- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]

- [***]

- [***]

- [***]

(iii)The primary Apollo MVP Software Documentation Deliverables shall be determined in good faith, agreed upon and prepared by the Parties in SOW Amendments and as contemplated in the Project Operational Framework

(b)Advisory Services

(i)Product Management Advisory Services: advise Customer senior management and product teams on Project-related product design, management and development for Apollo generally and Milestone 2 Software Development Deliverables specifically, as requested by Customer

(ii)Sales and Marketing Advisory Services: advise Customer senior management and sales and marketing teams on Project-related product and services sales and marketing initiatives for Apollo

(iii)Strategic Advisory Services: advise Customer senior management and Board of Directors on Project-related strategies for Apollo; participate in Customer senior leadership meetings and Board of Directors meetings relating to the Project generally and Milestone 2 Software Development Deliverables specifically, as requested by Customer

2.Functional Specifications

(a) [***]

(b) [***]

(c)[***]

(d)[***]

(e)[***]

(f) [***]

3.Technical Specifications: to be included herein by SOW Amendment as **Annex B** hereto

4.Delivery and Testing of Software Development and Documentation Deliverables; Deliverable Acceptance Criteria: the procedures and criteria for delivery, testing and acceptance of Milestone 2 Software Development and Documentation Deliverables will be determined in good faith and agreed upon by the Parties in SOW Amendments and as contemplated by the Project Operational Framework

5.Key Milestone 2 Dates (any dates referenced but not specified below will be determined in good faith and agreed upon by the Parties in SOW Amendments)

(a)Services Commencement Date: the date which is five (5) business days after the Milestone 1 Final Delivery and Acceptance Date

(b)Software Development Services Deliverables and Documentation Dates

(i)Pre-Delivery Completion Date

(ii)Pre-Delivery Developer / Customer Testing Dates

(iii)Post-Testing Delivery Dates

(c)Customer Board of Directors / Senior Management Software Deliverables and Documentation Review Date (date to be determined by Customer)

(d)Acceptance Period Dates

(e)Final Delivery and Acceptance Date: on or before October 31, 2026

(f)Customer IR/PR Announcement Date: date within five (5) business days after the Milestone 2 Final Delivery and Acceptance Date (or other date determined by Customer)

C.Milestone 3: Completion, Delivery and Acceptance of Commerce and Field Ops Software Development and Advisory Services, Specifications, Deliverables and Documentation

1.Milestone 3 Services

(a)Commerce and Field Ops Software Development Services, Specifications, Deliverables and Documentation

(i)Establish Apollo revenue-generating and operational action layers; move beyond experience and visibility into attributable business impact; demonstrate direct connection between platform investment and property revenue (ii)The primary Commerce and Field Ops Software Development Deliverables shall consist of the following:

-[***]

-[***]

-[***]

-[***]

-[***]

-[***]

-[***]

-[***]

-[***]

- [***]

-[***]

-[***]

(iii)[***]

(b)Advisory Services

(i)Product Management Advisory Services: advise Customer senior management and product teams on Project-related product design, management and development for Apollo generally and Milestone 3 Software Development Deliverables specifically, as requested by Customer

(ii)Sales and Marketing Advisory Services: advise Customer senior management and sales and marketing teams on Project-related product and services sales and marketing initiatives for Apollo

(iii)Strategic Advisory Services: advise Customer senior management and Board of Directors on Project-related strategies for Apollo; participate in Customer senior leadership meetings and Board of Directors meetings relating to the Project generally and Milestone 3 Software Development Deliverables specifically, as requested by Customer

2.Functional Specifications

(a) [***]

(b) [***]

(c) [***]

(d) [***]

3.Technical Specifications: to be included herein by SOW Amendment as **Annex C** hereto

4.Development and Documentation Deliverables; Deliverable Acceptance Criteria: the procedures and criteria for delivery, testing and acceptance of Milestone 3 Software Development and Documentation Deliverables will be determined in good faith and agreed upon by the Parties in SOW Amendments and as contemplated by the Project Operational Framework

5.Key Milestone 3 Dates (any dates referenced but not specified below will be determined in good faith and agreed upon by the Parties in SOW Amendments)

(a)Services Commencement Date: the date which is five (5) business days after the Milestone 2 Final Delivery and Acceptance Date

(b)Software Development Services Deliverables and Documentation Dates

(i)Pre-Delivery Completion Date

(ii)Pre-Delivery Developer / Customer Testing Dates

(iii)Post-Testing Delivery Dates

(c)Customer Board of Directors / Senior Management Software Deliverables and Documentation Review Date (date to be determined by Customer)

(d)Acceptance Period Dates

(e)Final Delivery and Acceptance Date: on or before January 31, 2027

(f)Customer IR/PR Announcement Date: date within five (5) business days after the Milestone 3 Final Delivery and Acceptance Date (or other date determined by Customer)

D.Milestone 4: Completion, Delivery and Acceptance of Apollo v1 Software Development and Advisory Services, Specifications, Deliverables and Documentation

1.Milestone 4 Services

(a)Apollo v1 Software Development Services, Specifications, Deliverables and Documentation

(i)Transition Apollo Software from pilot to platform with cross-property identity, ML-driven recommendations in production, and the foundation in place for continue expansion beyond the initial property set

(ii)The primary Apollo v1 Software Development Deliverables shall consist of the following:

- [***]

- [***]

- [***]

- [***]

- [***]

- [***]

- [***]

- [***]

- [***]

(iii)The primary Apollo v1 Software Documentation Deliverables shall be determined in good faith, agreed upon and prepared by the Parties in SOW Amendments and as contemplated in the Project Operational Framework

(b)Advisory Services

(i)Product Management Advisory Services: advise Customer senior management and product teams on Project-related product design, management and development for Apollo generally and Milestone 4 Software Development Deliverables specifically, as requested by Customer (ii)Sales and Marketing Advisory Services: advise Customer senior management and sales and marketing teams on Project-related product and services sales and marketing initiatives for Apollo

(iii)Strategic Advisory Services: advise Customer senior management and Board of Directors on Project-related strategies for Apollo; participate in Customer senior leadership meetings and Board of Directors meetings relating to the Project generally and Milestone 4 Software Development Deliverables specifically, as requested by Customer

2.Functional Specifications

(a) [***]

(b) [***]

(c) [***]

3.Technical Specifications: to be included herein by SOW Amendment as **Annex D** hereto

4.Delivery and Testing of Software Development and Documentation Deliverables; Deliverable Acceptance Criteria: the procedures and criteria for delivery, testing and acceptance of Milestone 4 Software Development and Documentation Deliverables will be determined in good faith, agreed upon and prepared by the Parties in SOW Amendments and as contemplated by the Project Operational Framework

5.Key Milestone 4 Dates (any dates referenced but not specified below will be determined in good faith and agreed upon by the Parties in SOW Amendments)

(a)Services Commencement Date: the date which is five (5) business days after Milestone 3 Final Delivery and Acceptance Date

(b)Software Development Services Deliverables and Documentation Dates

(i)Pre-Delivery Completion Date

(ii)Pre-Delivery Developer / Customer Testing Dates

(iii)Post-Testing Delivery Dates

(c)Customer Board of Directors / Senior Management Software Deliverables and Documentation Review Date (date to be determined by Customer)

(d)Acceptance Period Dates

(e)Final Delivery and Acceptance Date: on or before April 30, 2027

(f)Customer IR/PR Announcement Date: date within five (5) business days after the Milestone 4 Final Delivery and Acceptance Date (or other date determined by Customer)

IV.Background Technology / Background IP Licenses (in each case as and to the extent applicable for any Milestone; if applicable, to be specified by the Parties in SOW Amendments and related licensing agreements)

A.Developer Licenses of Background Technology / Background IP to Customer Relating to Milestone 1 Foundation Set Software Development Deliverables

B.Developer Licenses of Background Technology / Background IP Licenses to Customer Relating to Milestone 2 Apollo MVP Software Development Deliverables

C.Developer Licenses of Background Technology / Background IP Licenses to Customer Relating to Milestone 3 Commerce and Field Ops Software Development Deliverables

D.Developer Licenses of Background Technology / Background IP Licenses to Customer Relating to Milestone 4 Apollo v1 Software Development Deliverables or Overall Project

V.Customer Requirements and Approvals (in each case as and to the extent applicable for any Milestone; if applicable, to be addressed by the Parties in SOW Amendments)

A.Milestone 1 Foundation Set

1.Customer Requirements (Customer personnel; Customer systems access; Customer facilitation of third party access to Customer systems and to systems of third parties)

2.Approved Third Party Software / Documentation

3.Approved Open Source Software / Documentation

4.Approved Subcontracts

B.Milestone 2 Apollo MVP

1.Customer Requirements (Customer personnel; Customer systems access; Customer facilitation of third party access to Customer systems and to systems of third parties)

2.Approved Third Party Software / Documentation

3.Approved Open Source Software / Documentation

4.Approved Subcontracts

C.Milestone 3 Commerce and Field Ops

1.Customer Requirements (Customer personnel; Customer systems access; Customer facilitation of third party access to Customer systems and to systems of third parties)

2.Approved Third Party Software / Documentation

3.Approved Open Source Software / Documentation

4.Approved Subcontracts

D.Milestone 4 Apollo v1

1.Customer Requirements (Customer personnel; Customer systems access; Customer facilitation of third party access to Customer systems and to systems of third parties)

2.Approved Third Party Software / Documentation

3.Approved Open Source Software / Documentation

4.Approved Subcontracts

VI.Developer Project Fees

A.Total Project Fees (for all Software Development, Documentation and Advisory Services): $3,559,200.00

B.Project Fee Payments and Payment Dates

1.Milestone 1 Foundation Set Total Fee Payment: $889,880.00; billed monthly in three installments after the Milestone 1 Services Commencement Date

2.Milestone 2 Apollo MVP Total Fee Payment: $889,880.00; billed monthly in three installments after the Services Milestone 2 Services Commencement Date

3.Milestone 3 Commerce and Field Ops Total Fee Payment: $889,880.00; billed monthly in three installments after the Milestone 3 Services Commencement Date

4.Milestone 4 Apollo v1 Total Fee Payment: $889,880.00 billed monthly in three installments after the Milestone 4 Services Commencement Date

C.All Fee Payments referenced herein will be made by Customer to Developer in U.S. Dollars, in cash and in immediately available funds via direct transfers to the bank account of and designated by Developer

VII.Project Cybersecurity / Data Protection Policies and Requirements: set forth on **Exhibit B** attached hereto and incorporated by reference herein

VIII.Project Software Support, Maintenance and Training Requirements: to be included herein by SOW Amendment as **Annex E** hereto

IX.Additional Termination Provisions

Developer shall not exercise its rights to terminate for convenience this SOW or the Master Software and Services Agreement under Section 9(b) of the Master Software and Services Agreement until after the completion and acceptance of all Milestone 1 Deliverables on the Final Delivery and Acceptance Date.

X.Effectiveness

This Amended and Restated Statement of Work No. 1 will be effective upon execution by both Parties below and Developer will thereafter create, develop and deliver the Software, Documentation and other Deliverables as set forth herein and otherwise perform and provide the other Services described herein in accordance with the terms set forth herein and in the Master Software and Services Agreement.

IN WITNESS WHEREOF, the Parties have duly executed this Amended and Restated Statement of Work No. 1 as of the date first above written.

BUILD SOMETHING LLC (d/b/a BUILD SOMETHING PRODUCT GROUP / BSPG)

By: */s/ Michael Cerda*
Name: Michael Cerda
Title: Founder

PHUNWARE, INC.

By: */s/ Dmitry Kroshka*
Name: Dmitry Kroshka
Title: Chief Executive Officer

EXHIBIT A

PROJECT OPERATIONAL FRAMEWORK

[see attached]

[***]

EXHIBIT B

PROJECT CYBERSECURITY / DATA PROTECTION POLICIES AND REQUIREMENTS

1.[***]

2.[***]

3.[***]

4.[***]

5.[***]

6.[***]

7.[***]

8.[***]

9.[***]

10.[***]

11.[***]

12.[***]

ANNEX A

TECHNICAL SPECIFICATIONS
(Milestone 1 Software Development Deliverables)

[to be included]

[***]

ANNEX B

TECHNICAL SPECIFICATIONS
(Milestone 2 Software Development Deliverables)

[to be included]

[***]

ANNEX C

TECHNICAL SPECIFICATIONS
(Milestone 3 Software Development Deliverables)

[to be included]

[***]

ANNEX D

TECHNICAL SPECIFICATIONS
(Milestone 4 Software Development Deliverables)

[to be included]

[***]

ANNEX E

PROJECT SOFTWARE SUPPORT, MAINTENANCE AND TRAINING REQUIREMENTS

[to be included]

[***]

Exhibit 31.1

CERTIFICATION

I, Dmitry Kroshka, certify that:

1.I have reviewed this Quarterly Report on Form 10-Q of Phunware Inc.;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a.Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b.Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c.Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d.Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a.All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b.Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2026

/s/ Dmitry Kroshka
Dmitry Kroshka
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, J. Brendhan Botkin, certify that:

1.I have reviewed this Quarterly Report on Form 10-Q of Phunware Inc.;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2026

/s/ J. Brendhan Botkin
J. Brendhan Botkin
Vice President of Accounting and Financial Reporting
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Dmitry Kroshka, Chief Executive Officer (Principal Executive Officer) of Phunware, Inc. (the "Company"), and J. Brendhan Botkin, Vice President of Accounting and Financial Reporting (Principal Financial and Accounting Officer) of the Company, each hereby certifies that, to the best of his knowledge:

1.The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2026, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act, and

2.The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 10, 2026

Phunware, Inc.

By: */s/ Dmitry Kroshka*
Name: Dmitry Kroshka
Title: Chief Executive Officer
(Principal Executive Officer)

By: */s/ J. Brendhan Botkin*
Name: J. Brendhan Botkin
Title: Vice President of Accounting and Financial Reporting
(Principal Accounting and Financial Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Phunware, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.